



University of Toronto

OFFICE OF THE VICE-PRESIDENT - RESEARCH AND INTERNATIONAL RELATIONS

April 9, 2002

Memorandum to: Committee on Academic Policy and Programs

From: Heather Munroe-Blum

For: Meeting of April 17, 2002

Agenda Item: 4

Item Identification: Copyright Policy

Sponsors: Professor Heather Munroe-Blum
Vice-President – Research & International Relations

Professor Adel Sedra
Vice-President and Provost

Jurisdictional Information:

The Committee on Academic Policy and Programs reviews research policies, including intellectual property policies, on behalf of the Academic Board. The Academic Board is required by its terms of reference to consider research policies and forward recommendations to the Governing Council.

Previous Action Taken: None

Action Sought:

That the Committee recommend to the Academic Board the following:

- (a) THAT the University of Toronto Copyright Policy, dated April 9, 2002, be approved.
- (b) THAT the University of Toronto Policy on Copyright and Other Proprietary Rights (May 19, 1977) and the University of Toronto Policy on Computer Software (April 14, 1988) be repealed.

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- (c) THAT the University of Toronto Inventions Policy be amended as outlined in the memorandum from Vice-President Heather Munroe-Blum, dated April 8, 2002.

Items of Significance:

- The Task Force on Intellectual Property Relating to Instructional Media has recommended that the current Policy on Copyright and Other Proprietary Rights (1977) and the Policy on Computer Software (1988) be replaced by a new Copyright Policy.
- Under the proposed new Copyright Policy, copyright in works created by University faculty, librarians and students would be vested in the authors. The main exceptions to this rule would be (1) works created in the course of the author's employment by the University, with the exception of works arising from research and instructional activities of faculty or librarians; (2) works specifically commissioned by the University under written agreement with the author.
- Under the proposed new Copyright Policy, where commercialization of the work is contemplated and the work was created with "substantial use of University resources" (which the Policy defines), the author and the University must negotiate a revenue-sharing agreement.
- The proposed repeal of the Policy on Copyright and Other Proprietary Rights and the Policy on Computer Software will necessitate an amendment to the definition of "Invention" in the University's Inventions Policy to ensure that non-instructional software, research data and research tools are covered by the Inventions Policy.



University of Toronto

OFFICE OF THE VICE-PRESIDENT - RESEARCH AND INTERNATIONAL RELATIONS

April 8, 2002

MEMORANDUM

TO: Committee on Academic Policy and Programs

FROM: Heather Munroe-Blum

RE: Copyright Policy

Background

Last year, I created with the Provost a Task Force on Intellectual Property Relating to Instructional Media. Chaired by Dean Ron Daniels of the Faculty of Law, the Task Force has examined the emerging new forms of instructional media and the factors involved in their creation and legal protection. It has also analyzed the intellectual property policies relevant to instructional media, both at the University of Toronto and at peer institutions, notably in the United States.

Early this year, the Task Force published a draft report in which it recommended that the University adopt a new Copyright Policy. This draft report was made available to the University community both electronically and through publication in the *Bulletin*. Led by Dean Daniels, consultations on the report were held on all three campuses. In addition, members of the University community were able to provide comment through a special bulletin board created off the Provost's website. Following consideration of the results of these consultations, the Task Force has prepared and submitted its final Report, which is attached.

The Provost and I want to thank Dean Daniels and his colleagues for their thorough examination of this topic and their thoughtful recommendations. To implement those recommendations, we are now presenting a draft Copyright Policy.

The Old Copyright Policy

In 1977, the Governing Council passed a *Policy on Copyright and Other Proprietary Rights*, which was meant to cover all intellectual property, patentable as well as copyrightable, created by University faculty and students. For a variety of reasons, the Governing Council went on to pass additional policies to deal specifically with certain

types of intellectual property, such as inventions and software, thus greatly limiting the 1977 Policy's area of jurisdiction. The Policy's effectiveness was further weakened by the ambiguity of its terms. With the exception of books and articles, copyright in works created by faculty and students was vested in the University – but authors were granted the rights usually associated with copyright, such as the right to negotiate with publishers and receive royalties. Because of the confusion this caused, the 1977 Policy fell into disuse, leaving a policy vacuum.

As long as most works created by faculty and students were published in print form, this vacuum did not present a huge problem. But with the advent of digital media and the Internet, it has created uncertainties that could inhibit the creation of instructional works. The Task Force on Technology-Enhanced Education has urged that the University's intellectual property policies "be designed to encourage, rather than constrain, the [University's] ability to share expertise and scholarship with the world." The current *Policy on Copyright and Other Proprietary Rights* is inconsistent with that aim.

The Proposed Copyright Policy

Consistent with the recommendations of the Daniels Report, the proposed new Copyright Policy would ensure that, except in certain defined circumstances, authors will own copyright in the works they create. For printed works, this will simply confirm the status quo, but for other works, such as courseware or databases, it will remove an ambiguity in the University's existing Policy. There would be two main exceptions to the ownership of copyright by the authors:

- works created in the course of the author's employment by the University. This would, for example, include software created by programmers hired by the University for that purpose. However, the new Policy specifically excludes works arising out of the research or instructional activities of faculty or librarians.
- works specifically commissioned by the University under a written agreement with the author.

While confirming the author's copyright, the proposed Policy provides that, where the work is to be commercialized, the author must disclose his or her intentions to the University. It is important to note that "commercialization" does not include publication of a book by a university or other academic press. If it is software created for non-instructional purposes, it will be treated as an invention under the Inventions Policy. If it has been created using "Substantial Use of University Resources," a revenue-sharing agreement with the University must be negotiated. The Task Force proposes a strict definition of "Substantial Use," and this has been incorporated into the draft Policy. The draft Policy also provides that, whenever possible, "Substantial Use" should be identified at the time of the investment by the University, so that the author is aware of the need for a revenue-sharing agreement later on.

Effect on Other Policies

If the Governing Council approves the proposed Copyright Policy, it would have the following effect on other policies:

- The Policy on *Copyright and Other Proprietary Rights* (1977) and the *Policy on Computer Software* (1988) should be repealed.
- The definition of “Invention” in the *Inventions Policy* (1990) would have to be amended. The *Inventions Policy* makes reference to the *Policy on Computer Software* in the definition of “Invention.” Once the Software Policy has been repealed, the definition will have to be amended to refer to the new Copyright Policy. This will be the subject of another memorandum.

Recommendation

That the Committee recommends to Academic Board that the attached Copyright Policy be approved, and that accordingly the *Policy on Copyright and Other Proprietary Rights* and the *Policy on Computer Software* be repealed.

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COPYRIGHT POLICY

Preamble

This **Copyright Policy** has the following basic objectives:

- To determine the ownership of copyright works created by members of the University community.
- To foster the creation and development of copyright works in support of the University's academic mission.
- To provide for the equitable sharing of the revenues arising from copyright works between authors and the University.

1. Definitions

The following capitalized terms, whether used in the singular or plural, have the following meanings in this Policy:

- 1.1 **“Administrative Staff”** means the employees of the University, University College, the constituent colleges and the federated universities who are not members of the Teaching Staff [*University of Toronto Act*, S.O. 1971, c. 56, s. 1(1)(aa), as amended by S.O. 1978, c. 88].
- 1.2 **“Author”** means any member of the University's Teaching Staff or Administrative Staff, any student of the University and any visitor to the University, who has written or created a Work.
- 1.3 **“Commercialize”** and **“Commercialization”** mean to make a Work available outside of the University on a for-profit basis, but does not include publication or distribution of conventional texts by a recognized university or other academic press.
- 1.4 **“Connaught Fund”** means the fund administered by the University's Connaught Committee, or any similar fund established by the University to support research.
- 1.5 **“Computer Software”** means any set of instructions or statements, expressed, fixed, embodied or stored in any manner, that is to be used directly or indirectly in a computer to bring about a specific result.
- 1.6 **“Copyright”** has the meaning prescribed by the *Copyright Act*.
- 1.7 **“Copyright Act”** means the Canadian *Copyright Act* (R.S.C. 1985, c. C-42), as amended, or any successor legislation thereto.
- 1.8 **“Instructional Software”** means Computer Software designed for instructional purposes that provides for interaction with the user, or makes use of multimedia products, or both, and includes technology-enabled learning products in electronic format.

- 1.9 “**Moral Rights**” means all of the Author’s rights to claim authorship and to protect the integrity of a Work under the *Copyright Act* and applicable law.
- 1.10 “**Net Revenue**” means the royalty, licensing and other income or equivalent financial return received from the Commercialization of a Work created with Substantial Use of University Resources, less legal and other fees incurred directly in the process of establishing and maintaining the legal protection of those rights.
- 1.11 “**Substantial Use of University Resources**” means the extraordinary provision of resources by the University, which includes, without limitation: release time from regularly assigned duties where the primary purpose of this is the creation of a Work; direct discretionary investment by the University of funds or staff, or the purchase of special equipment for the creation of a Work; extraordinary use of multimedia production personnel and facilities; and, extraordinary use of computing resources. It would not normally include basic salary or the provision of overhead costs associated with the University’s administration of external funds.
- 1.12 “**Teaching Staff**” means the employees of the University, University College, the constituent colleges and the arts and science faculties of the federated universities who hold the academic rank of professor, associate professor, assistant professor, full-time lecturer or part-time lecturer, unless such part-time lecturer is registered as a student, or who hold any other rank created by the University and designated by it as an academic rank [*University of Toronto Act*, S.O. 1971, c. 56, s. 1(1)(m), as amended by S.O. 1978, c. 88].
- 1.13 “**University**” means the Governing Council of the University of Toronto, as represented by its duly appointed officers and officials and their designates.
- 1.14 “**University Revenue**” means the portion of Net Revenue received by the University under this Policy.
- 1.15 “**Work**” means any architectural, artistic, choreographic, cinematographic, dramatic, literary, musical, scientific, technical or other work in which copyright may subsist under the *Copyright Act* and applicable law, but excludes any Computer Software that is not Instructional Software.

2. Rights in the Work

- 2.1 The University will own Copyright in all Works which are:
- (a) created by an Author in the course of the Author’s employment by the University; or,
 - (b) specifically commissioned by the University under a written agreement in which the Author assigns Copyright in the Work to the University.

For the purposes of this Policy, research and instruction, or the creation of instructional Works, including Instructional Software, undertaken by members of the University’s Teaching Staff or librarians shall not be deemed to be made or undertaken in the course of their employment by the University.

- 2.2 In all other cases, the Author will own Copyright in the Work, except to extent that any rights in the Work have been granted to a third party under a prior written agreement signed by the University and acknowledged in writing by the Author.
- 2.3 Where the University owns Copyright in a Work created other than in the course of employment, the Author will:
- (a) retain all Moral Rights in the Work;
 - (b) have the right to revise the Work at reasonable intervals; and,
 - (c) have a perpetual, irrevocable, royalty-free, non-exclusive, non-transferable license to use, revise and modify the Work for non-commercial purposes.
- 2.4 Where the University does not own Copyright in Work created with Substantial Use of University Resources, the University will:
- (a) have the right to receive a share of Net Revenue, in accordance with Section 3 of this Policy; and,
 - (b) have a perpetual, irrevocable, royalty-free non-exclusive, non-transferable license to use, revise and modify the Work for research and teaching purposes within the University, provided that:
 - i. the license will not confer any commercial rights to the University; and,
 - ii. the University will not publish any revised version of the Work without the Author's prior written consent.
- 2.5 To encourage awareness of rights and obligations under this Policy and reduce the possibility of misunderstanding, circumstances involving Substantial Use of University Resources should be identified in advance of the creation of a Work whenever possible. Since practices and procedures on such matters may vary in different divisions of the University, divisions are encouraged to develop their own guidelines in furtherance of this Policy, subject to the approval of the Vice-President and Provost and the Vice-President, Research and International Relations. The object of such guidelines will be to create an atmosphere that encourages the creation of Works, without interfering with freedom of inquiry or causing unnecessary administrative burdens.
- 2.6 Computer Software that is not Instructional Software will deemed to be an "Invention" under the *Inventions Policy* (May 30, 1999, as amended), and the rights and obligations with respect to such Computer Software and the disposition of revenues therefrom shall be in accordance with the *Inventions Policy*.
- 2.7 Notwithstanding any statement elsewhere in this Policy:
- (a) if an Author also holds an appointment with an affiliated teaching hospital or other external institution, the determination of rights in a Work and the allocation of Net Revenues arising out of its Commercialization shall be subject to the terms and conditions of agreements between the University and the hospital or

other institution in force at the time of the disclosure of the Work, or, in the absence of such an agreement, to negotiation between the institutions involved;

- (b) all agreements existing at the time of the adoption of this Policy between the University and Authors, or the University and governments, corporations and other third parties relating to Works and/or Authors shall remain in full force; and,
- (c) the rights and obligations set out in this Policy may be modified by written agreement between an Author and the University.

3. Disclosure and Revenue Sharing

- 3.1 If an Author wishes to Commercialize a Work created with Substantial Use of University Resources, the Author will disclose the Work to the University by completing a disclosure form and submitting it to the Vice-President, Research and International Relations or his/her designate(s) without unreasonable delay. Works which comprise an instructional course shall not be considered Commercialized simply because the tuition income from the course exceeds the cost of mounting the course.
- 3.2 The Author may consult with the University's appropriate officials with respect to the various options available to the Author regarding Commercialization and of sources of information about those options. If the Author wishes to retain the responsibility to Commercialize a Work created with Substantial Use of University Resources, the Author will enter into a revenue sharing agreement with the University, under which the University will receive 25% of the Net Revenue which the Author may receive, payable on an annual basis.
- 3.3 If the Author does not wish to retain the responsibility to Commercialize a Work created with Substantial Use of University Resources, the Author may offer to assign Copyright in the Work to the University. If the University accepts the assignment, the Author will enter into an assignment and revenue sharing agreement with the University under which the Author will receive 25% of the Net Revenue which the University may receive, payable on an annual basis.
- 3.4 In cases where the respective contributions of the Author and the University vary substantially from the norm, the respective shares of Net Revenue may be varied accordingly by agreement to reflect the relative contributions of the Author and of the University.
- 3.5 University Revenue shall be divided as follows, unless otherwise agreed by the Vice-President, Research and International Relations:
 - (a) For cumulative University Revenue up to \$100,000:

Author's Department 50%
Author's Faculty 20%
University Distribution 30%

(b) For cumulative University Revenue above \$100,000:

Author's Department 15%
Author's Faculty 15%
Connaught Fund 70%

4. Arbitration

- 4.1 If a dispute arises between an Author and the University with respect to the application of this Policy, the dispute shall be referred for decision to a Board of Arbitration composed of one member nominated by the Author, one member nominated by the University and one member selected by the first two or, in the absence of an agreement between them, by the Dean of the Faculty of Law of the University.
- 4.2 Until a decision is given by the Board of Arbitration, no action shall be brought by the Author against the University, or by the University against the Author, in any court of law on any matter arising out of this Policy.

5. Application of Policy

- 5.1 This Policy applies to all Works created after the date fixed for implementation of this Policy by the University, and to trademarks relating to those Works. This Policy does not apply to Works created in the course of demonstrably private research unrelated to the Author's University functions or in the course of private consulting activities to outside bodies, or to trademarks relating to those Works.
- 5.2 This Policy replaces the *Policy on Copyright and Other Proprietary Rights* (May 19, 1977) and the *Policy on Computer Software* (April 14, 1998).
- 5.3 Three years after the date fixed for implementation of this Policy, the Vice-President, Research and International Relations and Vice-President and Provost shall appoint a committee to review this Policy and its implementation, and if appropriate, to recommend revisions to this Policy.

**PROPOSAL FOR A NEW
UNIVERSITY COPYRIGHT POLICY**

**The Report of the Task Force on
Intellectual Property
Relating to
Instructional Media**

April 2002



PROPOSAL FOR A NEW UNIVERSITY COPYRIGHT POLICY

The Report of the Task Force on Intellectual Property Relating to Instructional Media April 2002

1 Introduction

The University of Toronto Task Force on Intellectual Property Relating to Instructional Media has been meeting over a period of several months to discuss the challenges and opportunities facing the University. The use of new instructional media (“NIM”) has the potential to improve the University’s ability to fulfil its fundamental mandates of research and teaching in the spirit of academic freedom. As the Task Force on Academic Computing and New Media concluded, the University must participate in the new digital landscape “if it is to remain an internationally significant research university with excellent graduate and undergraduate programmes.”¹ The challenge for University policy is to facilitate the use of new technologies while ensuring that the interests of all members of the University community are protected and our core mission remains intact.

At this point in our deliberations, we would like to share our learning and consult with the broader University community prior to making final recommendations to the University administration. This document is meant to be the basis for such a discussion.

1.1 Summary of Recommendations

- 1) That the University draft, and adopt, a new *Copyright Policy* based on the model outlined in this report at s. 5.
- 2) That the University repeal the existing *Policy on Copyright and Other Proprietary Rights* and the *Policy on Computer Software*. The *Policy on Copyright and Other Proprietary Rights* should, however, remain in force for non-copyrightable materials that are not covered by the new policy until a separate policy is written to protect such material.
- 3) That the University revise the following policies so as to bring them into harmony with the proposed *Copyright Policy*, as outlined in s. 6 of this report: *Inventions Policy*, *University of Toronto Policy on Conflict of Interest (Academic Staff)*.
- 4) That the University study the need for a policy addressing the protection of data, databases, and other material that cannot be copyrighted.

1.2 Mandate and Work of the Task Force

The Vice-President—Research & International Relations and the Provost established the Task Force in December 2000 in order to make recommendations regarding University policy on the ownership of instructional materials in electronic media created by members of the University community. As part of its mandate, the Task Force was asked to review the University’s existing policy framework, the policies and practices of peer institutions, and consult with the University community.

Members of the Task Force include:

- Ron Daniels, Dean of the Faculty of Law (Chair)
- Peter Munsche, Assistant Vice-President—Technology Transfer
- Carl Amrhein, Dean of Arts & Science

¹ “Discussion Paper to Facilitate University Community Input” (available from Ms. Carol Robb, Office of the Vice-President and Provost), p. 3.

- Mark Chignell, Department of Mechanical & Industrial Engineering
- Carl Corter, Associate Dean, OISE/UT
- Patricia Fleming, Faculty of Information Studies
- Paul Gooch / Vivek Goel, Vice Provost, Faculty
- Adrienne Hood, Department of History
- Kenneth Lavin*, Gerstein Science Information Library
- Carol Moore, Chief Librarian
- Judith Poë*, Department of Chemistry
- Lawrence Spero, Department of Pharmacology and Teaching Laboratories
- Lena Kikuchi, graduate student

In order to fulfil its mandate, the Task Force held a series of meetings examining the background, context and nature of the phenomenon of NIM, the current relevant University of Toronto policies and practices, the Canadian legal context, and the best practices of peer institutions. We invited several visitors to share their expertise with the Task Force at these meetings, including: Jonathan Cole, Provost of Columbia University; Wendy Noss, former director of Legal Affairs and Government Relations at CanCopy; William Barek, Director of the Centre for Instructional Technology Development (University of Toronto at Scarborough); and Rob Harvie and Jay Moonah from the Centre for Academic & Adaptive Technology (University of Toronto). In addition, Assistant Professor Lisa Austin of the Faculty of Law and Mr. Jason Bechtel, Intellectual Property and Contracts Counsel, University of Toronto provided invaluable support and advice to members of the Committee (including the development of several critical documents prepared for the Committee).

1.3 Animating Principles

The Task Force has generated the following animating principles for its inquiry:

- 1) The policy should support creative and innovative development of NIM. It should reduce barriers to the development of NIM.
- 2) The policy should protect the integrity of NIM work.
- 3) The policy should provide proper support for, and respect to, the centrality of academic freedom. The policy should facilitate, not distort, the academic mission of the University.
- 4) The policy should acknowledge that faculty² will often be in the best position, and should have the greatest incentives, to fully exploit NIM while furthering the central mission of the University.
- 5) The policy should ensure equitable sharing of the risks and rewards of developing NIM between faculty member(s) (and students, where appropriate) and the University.
- 6) The policy should consider the role of the University in supporting development of NIM in a broad sense including: financial and technical support for project development and recognition of the diverse ways in which NIM can complement the research and teaching mission of the University.

* Kenneth Lavin and Judith Poë are representatives of UTFA. Their membership on this committee should not be construed as UTFA approval of the proposed policy.

² In this document, all references to "faculty" include librarians.

- 7) The policy should be clear and accessible, and should minimize the scope for confusion, delay, and uncertainty in implementation. The policy should also minimize, to the greatest extent possible, the need for compliance bureaucracy.
- 8) The policy should be open to, and supportive of, all forms of technology.

2 New Instructional Media

2.1 Properties

New forms of instructional media are numerous and diverse, but have in common the use of new technologies to record and disseminate pedagogical materials. This can take the form of simply extending existing practices, such as placing course texts “on-line” in digital form instead of, or supplementary to, making paper-based materials available. But new forms of instructional media can also change the nature of existing practices. For example, new technologies make it possible to record, store, and disseminate pedagogical experiences that used to be limited to a particular time and place, such as lectures or class discussions. This possibility can in turn transform the nature of both teaching and learning by providing new methods of interaction with students.

While new forms of instructional media continue to evolve, the following list of examples provides a sense of the scope of the phenomenon:

- placement of traditional course materials on-line: syllabi, readings, assignments
- placement of non-traditional, multi-media course materials on-line
- use of chat groups, email exchanges, or structured on-line discussions to supplement classroom experiences
- use of instructional software, such as language or math labs to replace more traditional classroom instruction or tutorials
- use of computer simulations to provide laboratory and other learning experiences that would otherwise be too expensive to provide
- creation and use of multi-media texts such as CD-ROMS, which combine traditional text with video clips, and visual and audio aids
- video and/or audio recording of lectures
- use of teleconferencing technology to create virtual classrooms
- use of computer technology to implement new testing and evaluation methods

2.2 The Creative Process

A report prepared for the AAU Digital Networks and Intellectual Property Management Committee by The Intellectual Property Task Force indicated that focusing on the question of whether new media are more like inventions or books is the wrong way to proceed. Instead, “[t]he discussion should focus on the bases of creation of works, the status of the contributors, [and] the resources and facilities necessary for creating the work”.³ The key is to develop a policy that provides for an equitable sharing of the risks and rewards of the creation of new media, while maintaining the University’s core commitment to the creation, preservation, and dissemination of knowledge. It is essential that such a policy address issues such as the allocation of intellectual property rights, revenue sharing, and the reinvestment of revenues in teaching and research in a fair and principled manner. Such a policy can only be developed on the basis of a strong understanding of the creative process for new instructional media.

³ “Intellectual Property and New Media Technologies: A Framework for Policy Development at AAU Institutions” (May 13, 1999), note 6.

We expect that the development of many forms of new instructional media will ultimately require a significant investment by the University in equipment, software, and personnel. The costs of developing NIM can be very high, and many of the proposed applications may not have any commercial value but nevertheless should be regarded as essential to the realization of the University's academic mission and hence deserving of support.

Investment by the University can be of several types. First, the University may develop computational resources that come to be considered part of the ordinary infrastructure of the university, much like library holdings. Second, the University may invest in specific projects, such as the development of a particular multi-media online course. Third, because of the significant front-end costs involved, the University may not be in a position to completely self-finance projects and may seek financing through joint ventures with other public bodies or private companies.

The effective development of new instructional media requires more than simply investing in technology and technical personnel. As the University of Toronto Task Force on Academic Computing and New Media stated,

Knowing how technically to employ an application is important but knowing the best practices regarding its effective use in teaching is essential. This should be a community based journey, not one in which each instructor is expected through individual research, or extremely inefficient and frustrating trial and error, to discover what is and is not effective.⁴

In addition, there is often a significant investment of time on the part of faculty members making use of new instructional media, not only with respect to technical implementation, but also with respect to understanding the best teaching uses of such technology. This may require institutional recognition, whether in the form of teaching relief or PTR/Merit allocations.

All of these considerations highlight the collaborative nature of the creation of many new forms of instructional media. Sometimes this collaboration will reflect the fact that many areas of expertise are involved in carrying out a particular project. Other times collaboration reflects the use to which the new technology is to be put. For example, if a department decides that instructional software is to be a key component to all future first year introductory courses, then the development of such software is likely to be a joint effort on the part of members of the department rather than a particular faculty member.

Finally, we believe that a focus on the creative process of NIM can indicate an important difference between NIM and traditional texts. The production of a textbook does not require a level of institutional support beyond what is generally provided to all faculty at the University. This changes when a text reaches the publication stage, at which point such support is provided by the publisher. Because of this support, we think that it is reasonable for a publisher to protect its interest in the text in various ways and seek a return on its investment. If the production of NIM requires institutional resources from the University beyond the level generally provided to all faculty, then this puts the University in a similar position to a publisher of a traditional text and may lead the University to assert interests in NIM.

A further important difference between NIM and traditional texts lies in the types of uses that can be made of NIM, which are raising new dilemmas for Universities. We discuss this issue in the following section.

2.3 Potential for Conflict

Although it is essential to understand the creative process in order to develop a fair policy regarding new instructional media, the new scenarios and dilemmas that are emerging because of new technology should not be ignored.

⁴ "Discussion Paper to Facilitate University Community Input" (available from Ms. Carol Robb, Office of the Vice-President and Provost), p.5.

From the perspective of the University faculty, concerns include the appropriation of intellectual creations by others without adequate recognition or recompense, censorship, impeding or manipulating dissemination of information and knowledge, loss of quality control over intellectual product, inappropriate external sponsor influence, and the use of a faculty member or librarian's name. Many of these concerns support the argument that faculty members should retain copyright and moral rights in their works

From the perspective of the University community as a whole, there are concerns regarding conflict of interest, commercialization and the use of the university name.

For example, Harvard University has recently been embroiled in a dispute with Arthur Miller, one of its law professors, who provided videotaped lectures to Concord University, an online institution. Harvard's position is that Miller is in violation of the University policy regarding teaching at another University without permission. Miller's position is that his lectures are more analogous to publishing a book, as he is not actually interacting with the students at Concord University. This dispute is more about conflict of interest than one regarding who contributed to the production of the videos. With increasing opportunities for faculty to engage in projects with other institutions and entities that are competitive with, rather than complementary to, the University and its mission, there is the concern that this will lead to a dissipation of faculty commitment and energy to the detriment of the University community as a whole and its ability to fulfil its mandate of education and research. At the same time, many collaborative projects that faculty engage in will be complementary to the University's mission and should be encouraged.

Such disputes take on added dimensions with the possibility of commercialization of NIM. The market for NIM is currently unstable but it is the belief of many, including commercial entities, that this area holds great promise. However, along with this come the concerns that significant investments of University funds not be exploited for private gain, that faculty and the University community not lose control over their own educational resources or constrain their ability to disseminate research or collaborate with colleagues, and that the University's name and reputation not be diminished in any way.

The Task Force is of the view that many of the dilemmas facing Universities regarding NIM in fact revolve around these issues of conflict of interest, commercialization and the use of the university name. But it is important to understand that the University may protect its interests in these areas without asserting ownership of intellectual property rights over NIM. University policies already exist regarding conflict of interest and the use of the university name and it is our view that these policies must be reviewed and revised to work in harmony with University intellectual property policies so that the right policy tool is available to address the right situation. In this way, faculty interests in retaining copyright and moral rights in their works may be harmonized with these other interests of the University.

3 Current University of Toronto Policy Context

Three University of Toronto policies establish the framework for rights in intellectual property created by members of the University community: the 1977 *Policy on Copyright and Other Proprietary Rights*,⁵ the 1988 *Policy on Computer Software*⁶ and the *Inventions Policy*,⁷ passed in 1990. Nearly two and a half decades have passed since the creation of the first of these policies, which attempted to cover all proprietary rights in intellectual property. There have been major changes in both intellectual property law and information technology since the passing of that *Policy on Copyright and Other Proprietary Rights*. The *Policy on Computer Software* and the *Inventions Policy* have addressed some of these changes, but the earlier policy is no longer consistent with current practice and the expectations of the University community. The *Policy on*

⁵ <http://www.utoronto.ca/govcncl/pap/policies/copyrite.html>

⁶ <http://www.utoronto.ca/govcncl/pap/policies/software.html> (last visited April 3, 2002)

⁷ <http://www.utoronto.ca/govcncl/pap/policies/invent.html> (last visited April 3, 2002)

*Conflict of Interest, Academic Staff*⁸ sets out the circumstances in which faculty members may engage in activities that may pose an actual or potential conflict of interest with their University responsibilities.

We believe that it would be useful to revise the *Policy on Copyright and Other Proprietary Rights*, given both the desire within the University community for clarification of the status of NIM and the difficulties arising from the fact that the policy and actual University practice are in conflict with one another (see Appendix A). The *Policy on Copyright and Other Proprietary Rights*, for instance, states that all rights in works produced by faculty “shall normally vest in the University” where the University has provided “non-trivial” support for the works. Subsequently, the *Policy on Computer Software* and the *Inventions Policy* have carved out certain exceptions to this general principle. Read together with the other applicable policies, the *Policy on Copyright and Other Proprietary Rights* would grant the University ownership of all rights in intellectual property created with “non-trivial” use of University resources, except inventions covered by the *Inventions Policy* and copyright in printed articles and books. Creators would be required to disclose all such intellectual property to the University and the University would bear the burden and associated cost of administering its rights in this large body of intellectual property. However, the University does not generally assert these rights.

There are good reasons to rewrite the policy rather than simply enforce it. Despite the principle of University ownership, other parts of the *Copyright Policy* give authors the rights normally associated with copyright ownership, such as the sole right to negotiate agreements with publishers and the right to be the sole recipients of royalties from books and articles. Generally however, the barriers to commercializing most intellectual property set out in the *Copyright Policy* would, if actually enforced, provide less of an incentive for creators to commercialize intellectual property than the existing procedure under the *Inventions Policy*.

Furthermore, by exempting printed articles and books, the existing policy invites questions regarding the difference between some types of NIM and articles or books. Traditionally, most Universities have not asserted property rights over works of authorship such as textbooks but have done so with respect to inventions, usually in conjunction with a revenue-sharing scheme. However, new instructional media shares features with *both* texts and inventions and so raises important questions regarding its treatment. New instructional media may look like traditional texts simply disseminated through electronic media, such as when text-based course materials are put on-line. Yet new types of pedagogical materials may include software components that are patentable, may require the significant use of University resources for their development, and may have potential commercial applications. Because these works go to the core of the University’s mission and the faculty’s role in furthering this mission, both parties require clarification regarding the treatment of NIM.

In addition, some forms of new instructional media blur the line between teaching and publishing. For example, having videotaped lectures used at another educational institution could be said to be similar to publishing a text that is then used at another institution but looked at in another way appears to raise conflict of interest concerns regarding outside teaching engagements as well as the potentially improper use of the University name. An adequate policy needs to clarify the relationship between copyright and these other issues within the University.

Similarly, simply deeming all NIM to be “software” and allowing the *Policy on Computer Software* to govern would not be adequate. While some components of NIM could clearly be treated as software, other components are not software, and it will sometimes be difficult to distinguish between these. Furthermore, it is not clear that the *Policy on Computer Software* will encourage faculty to create NIM, and it does not address some of the other important issues identified in previous sections of this discussion paper. However, this does not mean that the University should treat all computer software under the revised copyright policy. Computer software that may be treated as a patentable invention should still be subject to the *Inventions Policy*.

There are additional concerns regarding the application of University policy to data, databases, and other material that cannot be copyrighted. The Task Force recognizes the need to ensure adequate policy coverage

⁸ <http://www.utoronto.ca/govcncl/pap/policies/conacad.html> (last visited April 3, 2002)

for these materials as they are integral to many areas of University research. As this issue lies outside of the mandate of this Task Force, however, we recommend that the University undertake a careful study of the issues involved in order to determine what University policy should be in this area. As an interim measure, the *Policy on Copyright and Other Proprietary Rights* should remain in force for such non-copyrightable materials that are not covered by the new policy or the *Inventions Policy*, until a separate policy is written to protect such material.

4 Existing Legal Regime

Under the Canadian *Copyright Act*, copyright automatically applies to all original works upon their creation and gives the owner of the copyright the exclusive right to produce, reproduce, broadcast, publish, translate, adapt a work, or perform it in public. Copyright generally subsists for the life of the author plus 50 years. The author of a work is the first owner of the copyright, subject to some exceptions. In the context of NIM, the most important exception is for “work made in the course of employment,” in which case the employer is the first owner of copyright.⁹

The author of a work is the individual who makes the work. It is important to note that when a work results from the collaboration of several individuals then there may be joint authorship, in which case the copyright is co-owned.

The author of a work also holds “moral rights” in that work, irrespective of whether he or she continues to own the copyright. Moral rights involve the rights of attribution and integrity.¹⁰ The right of attribution allows the author to remain anonymous, or be associated with a work either by name or pseudonym. The right of integrity prevents the work from being “distorted, mutilated or otherwise modified” or “used in association with a product, service, cause or institution” where this would prejudice the author’s “honour or reputation.”¹¹ Moral rights may not be assigned, but they may be waived.

In the context of NIM, where the University seeks to protect the use of its name, its ability to use a work, its central mission, and revenue sharing when it has invested considerable sums into the development of a work then there are several options open to it. The University could seek the assignment of copyright in the work, in which case it would own copyright. Alternatively, it could seek a non-exclusive licence to make certain uses of the work, in which case the author would continue to own the copyright. Furthermore, if the University is interested in constraining only some uses of the work then this could be accomplished through agreements or the operation of other University policies such as the *Policy on Conflict of Interest, Academic Staff*. Such policies may have to be modified in order to achieve University goals in this area.

5 Model for a Proposed Copyright Policy

The following sections describe the main features of the policy that we propose, along with a discussion of these features and an indication of the options that would still have to be worked out. As we elaborate on in section 6 of this document, this proposed policy would require the revocation of both the *Policy on Copyright and Other Proprietary Rights* and the *Policy on Computer Software*. However, we believe that this would further the goals of simplicity, clarity and policy harmonization. In proposing these features, we have endeavoured to adopt the most attractive features of the policies of peer institutions (see Appendix B) while remaining attentive to the strengths, practices and expectations of the University of Toronto community. The

⁹ *Copyright Act*, R.S.C. 1985, c.C-42, s. 13(3).

¹⁰ See David Vaver, *Intellectual Property Law: Copyright, Patents, Trade-Marks* (Concord, Ontario: Irwin Law, 1997), pp. 87-93.

¹¹ *Copyright Act*, R.S.C. 1985, c.C-42, s. 28.2(1).

Policy on Copyright and Other Proprietary Rights should, however, remain in force for non-copyrightable materials that are not covered by the new policy until a separate policy is written to protect such material.

5.1 Preamble

The *Copyright Policy* has the following major objectives:

- 1) To support creative activity and the publication and dissemination of the results of such activity.
- 2) To recognize the centrality of academic freedom.
- 3) To ensure the equitable sharing of the risks and rewards of such creative activity between the appropriate members of the University community.

5.2 Definitions

“work” is anything considered to be a copyrightable work under the *Canadian Copyright Act*.

“author” is the individual who makes the work and who would be considered to be the author under the *Canadian Copyright Act*.

Discussion: We propose that the University copyright policy closely match the existing copyright regime. This reflects our belief that University interests in copyrightable works are well protected through a combination of licensing, revenue-sharing provisions, and the operation of other University policies governing the use of the University name and conflict of commitment. The University does not have to seek ownership of intellectual property outside of a few situations, elaborated upon below, which are consistent with the existing copyright regime.

“substantial use of University resources” includes, for example, release time from regularly assigned duties where the primary purpose of this is the creation of new instructional media; direct discretionary investment by the University of funds or staff, or the purchase of special equipment for the project; extraordinary use of multimedia production personnel and facilities; or extraordinary use of computing resources. It does not include basic salary or the provision of overhead costs associated with the University’s administration of external funds although these may be considered “substantial” in other contexts.

Discussion: We propose that the definition of “substantial use of University resources” be non-exhaustive, to accommodate evolving norms of what is considered “substantial” within the University community. For example, we would not consider the following situations, in and of themselves, to represent substantial use of University resources:

- Use of library resources (including the Resource Centre for Academic Technology) available to all members of the University community without charge.
- Authorship undertaken while on sabbatical.

By contrast, we believe that the following circumstances would involve substantial use of University resources:

- Paid leave, where the express purpose of the leave is to create the subject work.
- Provision of technical assistance not generally available to all members of the University community without charge.
- NIM development undertaken with direct investment from departmental operating funds.

“commercialized” means the distribution of a work outside of the University on a for-profit basis, but shall not include publication or distribution of conventional texts by a recognized university or other academic press. A course should not be considered commercialized simply because the tuition income from the course exceeds the cost of mounting the course.

5.3 Rights

5.3.1 The general presumption is that the author will retain the copyright to his or her work.

Discussion: In most cases the author will be the individual involved in creating the work, or a group of individuals who may claim joint authorship. This is consistent with our belief that there is an alignment of interests between University authors and the University and that it is our authors who are in the best position to determine how a work should be used in order to further the goals of our institution. In addition, we believe that allowing authors to retain copyright over their work will promote faculty engagement in NIM and thus enhance our community.

Investing copyright in authors raises the question of how the University can best support its authors in dealing with the ethical and professional questions that will arise regarding the assignment of copyright and its effects on the public dissemination of a work or the reputation of the author. The Task Force welcomes input from the University community regarding the type of support that would be most helpful to its members. For example, the University could undertake to produce a copyright manual or offer information and training sessions to interested members of the University community.

5.3.2 The University shall own copyright to works made in the course of employment for the purposes of Canadian copyright law. The University does not consider University research and instruction, or the creation of new instructional media, undertaken by faculty or librarians to be made in the course of employment for the purposes of Canadian copyright. The application of this provision to other employees of the University depends upon the terms of their employment.

5.3.3 The University shall own copyright to works specifically commissioned by the University. When the University commissions a work on behalf of the University or a division of the University it shall enter into a written agreement with the creators of the work assigning copyright to the University.

5.4 Investment of University Resources

Discussion: The investment of University resources is one of the central triggers for the assertion of University ownership in many of the policies of peer institutions (see Appendix B). However, it is our view that investment of resources is only relevant to potential revenue sharing and that ownership is not required to assert this interest. The University must ensure that the investment of its resources, which include public funds, are not exploited for undue private gain but shared fairly between the author and the University and within the University community itself.

5.4.1 The University recognizes that many works created with its funding will be of great benefit to the University community and the public more generally, and only some of these will be commercialized.

5.4.2 Works that

- (i) are commercialized; and
- (ii) have been created with the substantial use of University resources

shall be subject to revenue sharing requirements under this policy.

5.4.3 Wherever possible, circumstances involving substantial use of University resources should be identified in advance of the creation of the work. Divisional guidelines outlining expectations in regard to substantial use may be implemented, subject to the approval of the Vice-President and Provost and the Vice-President, Research and International Relations.

5.4.4 Unless otherwise agreed, the revenue sharing provisions will follow those developed under the *Inventions Policy*.

Discussion: The provisions of the *Inventions Policy* are as follows. The author would agree to pay to the University 25% of the Net Revenues or of any equivalent financial return to the author (if any) on an annual basis. The University portion would be distributed as follows:

For Cumulative University Revenues Up to \$100,000:

- Inventor's Department 50%
- Inventor's Faculty 20%
- University Distribution 30%

For Cumulative University Revenues Above \$100,000:

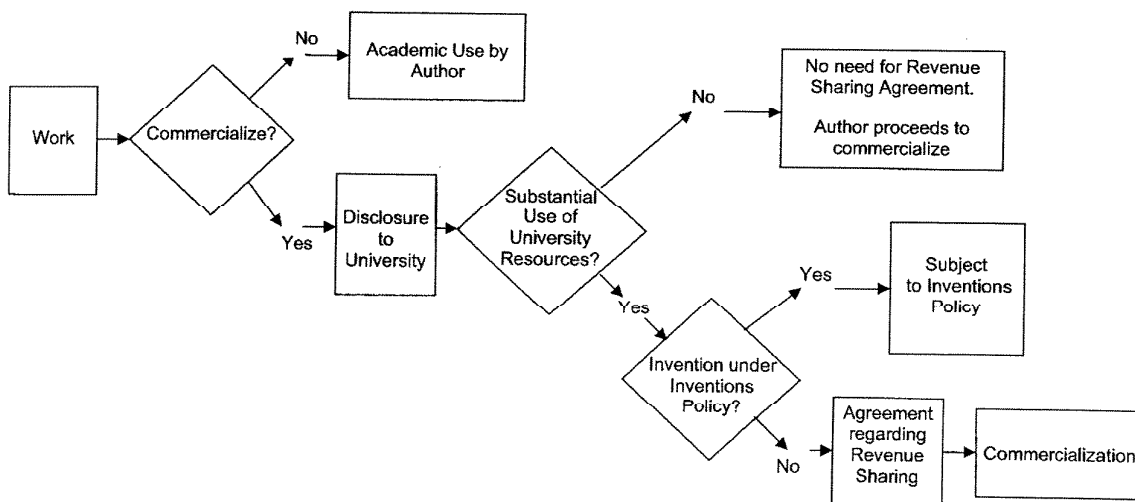
- Inventor's Department 15%
- Inventor's Faculty 15%
- Connaught Fund 70%

The University could request that part of Connaught Funds be set aside to promote NIM development at the University and, specifically, that revenues received from NIM be used in this manner. However, revenues from works that do not have a primary instructional or educational function should not be used in this manner.

5.4.5 If the author does not wish to have the full responsibility for the legal protection and/or commercialization of the work, then the author's rights may be assigned to the University in return for a share of revenues. Unless otherwise agreed, the revenue sharing provisions would follow those developed under the *Inventions Policy*.

5.4.6 Authors shall disclose works to the University before intended commercialization using forms and procedures which follow those set out in the *Inventions Policy*.

Discussion: The disclosure and decision making process would be as follows:



5.5 Responsibilities

- 5.5.1 In exercising control over their works, authors are subject to University policy regarding conflict of interest (<http://www.utoronto.ca/govcncl/pap/policies/conacad.html>).

Discussion: We believe that many activities relating to the development of NIM will fall under “major paid professional activities” for the purposes of the *Policy on Conflict of Interest, Academic Staff*, requiring disclosure to and written approval from the University. These uses would include cases where faculty use NIM to teach at another institution or enter into commercialization agreements. See section 6.4 in this document for further elaboration. However, it is important that this interpretation be confirmed through explicit language in the conflicts policy itself.

We recommend that the University amend the *Policy on Conflict of Interest, Academic Staff* to address the uses of NIM. In particular, it should be made explicit that using NIM to compete with the University is a conflict of interest notwithstanding the fact that this use may not involve a significant time commitment on the part of the faculty member in question. However, clear criteria must be developed to determine what would constitute a conflict of interest in this context. Some uses of NIM outside of the University may complement, rather than compete with, the University’s mission and the duties of faculty members to the University. The current policy is a frozen policy under the Memorandum of Agreement between the University and UTFA and any amendments to it would require the consent of both UTFA and the University.

- 5.5.2 Any use of the University name in connection with the work, apart from indicating the institutional affiliation of the author(s), requires explicit permission from the University.

Discussion: We recognize that the use of the University name in conjunction with a work constitutes a significant advantage in many contexts. However, it is essential that the University control the use of its name in order to protect its reputation, and this becomes even more acute in the context of non-University sponsored commercialization of NIM. The University should not be taken to endorse particular products. However, University control should not extend to the indication of institutional affiliation even though we recognize that this in itself is of significant benefit to faculty. Such use of the University name is no different from other contexts, such as outside consulting, and so should not be treated differently in the context of NIM. The University may wish to address in this issue in any amendment to the *Conflict of Interest Policy, Academic Staff*, and/or through an amendment to the *Policy on the Use of the University of Toronto Name*.

- 5.5.3 The University is entitled to a non-exclusive licence to use, for teaching and research purposes within the University, all works that are created with substantial use of University resources.

Such license will include the right to maintain and revise the work. However, the license shall not include the right to publish the result of such revision without the consent of the original author. The original author will retain all other moral rights in the work.

Discussion: This provision comports with the belief, and practice, that the open sharing of work within the University community supports the collaboration and collegiality essential to the University fulfilling its mission.

- 5.5.4 Where the University owns the copyright in a work, the authors of the work shall, unless otherwise agreed in writing:
- (i) retain all moral rights in the work;
 - (ii) shall have the right to revise the work at reasonable intervals; and
 - (iii) have the right to use the work and change it for non-commercial purposes.

5.6 Information Resources and Dispute Resolution

- 5.6.1 Where possible, potential sources of conflict should be identified and dealt with through written agreements prior to the beginning of a project, including who will be considered an author.
- 5.6.2 The University should make sample forms and agreements available to members of the University community, together with an information manual on intellectual property rights and other related issues.

Discussion: Agreements may be appropriate in cases where the project involves multiple contributors, not all of whom may be authors, or for projects which rely upon the significant use of University resources or external funds administered by the University. We believe that sample agreements, together with appropriate University guidance, will increase awareness of the rights of authors and creators of other forms of intellectual property.

- 5.6.3 If incapable of resolution by agreement, disputes arising out of this policy will be resolved through following the Board of Arbitration model in the *Inventions Policy*.¹² The Board would be composed of one member nominated by the Author, one member nominated by the University and one member selected by the first two or, in the absence of an agreement between them, by some named person.

5.7 Review of Policy

- 5.7.1 Three years after the effective date of this Policy, the Provost shall appoint a committee to review this policy and its implementation, and if appropriate, to recommend revisions to this Policy.

6 Interaction with Existing Policies

6.1 Copyright Policy

The existing *Policy on Copyright and Other Proprietary Rights* would be replaced with the proposed policy. As the existing practice of the University is not to claim copyright in any materials unless created under commission or contract, or unless they fall under the *Policy on Computer Software*, adopting the proposed policy would not appreciably alter established practice. Moreover, the proposed policy deals with the central issues that the existing copyright policy was meant to address. According to the existing policy,

The previously somewhat loosely defined nature of the rights of authors of works and rights of the University in such works has in several cases permitted commercial exploitation by the creators of products of research done using financial support provided through the University. While commercial exploitation of research results should be encouraged, there is an obvious potential conflict of interest where University research funds may be used to create a commercially viable product which is then exploited for profit by the researcher. Some abuses have indicated the need for a clear definition of University rights so that if examples of such abuse recur the University may have recourse either to legal remedy or to disciplinary action. At the same time, the creation of intellectual products (whether books, computer software, teaching materials, or other types) has been fostered by the tradition of independent scholarship. In defining the rights of the University and of the author, the policy statement seeks both to encourage independent creative activity and to protect against abuse of the rights necessary to the creative environment for such activity.¹³

¹² <http://www.utoronto.ca/govcncl/pap/policies/invent.html> (last visited April 3, 2002)

¹³ *University Policy on Copyright and Other Proprietary Rights*, section 3.

The proposed policy would deal with the potential commercial exploitation of works through a combination of the revenue sharing provisions and the conflict of interest policy. It protects the University tradition of independent scholarship through its presumption that copyright is retained by the author and not the University.

One major design difference between the existing policy and the proposed policy is that printed articles and books are not specifically exempt from the provisions of the proposed policy. This means that if an author makes substantial use of University resources in producing a book or article, then the revenue sharing provisions of the proposed policy may be triggered. However, the types of uses of University resources that have traditionally been involved in creating these texts would not qualify as substantial uses. Therefore the effective status quo with respect to these texts will not be altered. In addition, publication of a conventional text by an academic press does not fit the policy's definition of "commercialized."

The Task Force received comments from the University of Toronto Faculty Association, which were further discussed in a meeting with the President and Counsel of UTFA and members of the Task Force. UTFA has noted that the proposed policy would not include parallel provisions to those found in section 13 of the existing policy. Section 13 prescribes restrictions on assignment of rights to, and waiver of moral rights in favour of, research sponsors. We believe that retention of the provisions of section 13 is inconsistent with the general approach taken under the proposed policy.

Section 13 of the existing policy applies only in cases where an external party provides funding to the University for a project. Under the *Policy on Research Contracts and the Recovery of Indirect Costs*, sponsored research and research-related agreements are negotiated by the Office of the Vice-President, Research and International Relations. Such negotiation is undertaken within the framework of the *Publication Policy*, which prevents the University from entering into an agreement whereby the sponsor could censor or suppress research results. Sponsored research agreements are also negotiated in close consultation with the principal investigator. Ultimately, the principal investigator decides whether he or she wishes to accept funding for a particular project on the terms negotiated by the parties. The proposed policy would establish as its default the retention of all moral rights by the author. It is therefore the author, with appropriate guidance from the University, who would decide whether assignment or waiver of rights is appropriate.

6.2 Policy on Computer Software

Determining the distinction between course content and the courseware or software used to deliver the course content is fraught with difficulties. Often software will be an integral part of the course content. Given this, the Task Force does not recommend retaining a separate policy for computer software. Instead, the existing *Policy on Computer Software*¹⁴ would be replaced with the proposed policy.

The existing Policy on Computer Software delineates five categories of software. Replacing this policy with the proposed copyright policy would only affect the third category. Category 3 relates to computer software that arises as part of a research program or programs using funds administered by the University or software that has been created with the significant use of University facilities or resources, and stipulates that ownership will reside with the creator until commercialization, at which point the University asserts an interest and may elect to share the financial rewards. There are also provisions for disclosure with respect to the proposed commercialization of software.

Under the proposed policy, where substantial use of University resources is made, the University will assert a financial interest at the point of commercialization but not an ownership interest.

¹⁴ <http://www.utoronto.ca/govcncl/pap/policies/software.html> (last visited April 3, 2002)

6.3 Inventions Policy

The *Inventions Policy* would not be affected, apart from certain amendments to definitions to reflect the replacement of the *Policy on Computer Software* with the proposed policy. There may be components of NIM that would fall under the *Inventions Policy*, which would be dealt with in accordance with that policy.

6.4 University of Toronto Policy on Conflict of Interest (Academic Staff)

Under this policy, faculty members must seek prior written approval to engage in “major paid professional activities.” A “major paid professional activity” is defined under the policy as:

- (a) teaching for remuneration outside the University, other than occasional lectures, whether at another academic institution or for a professional development programme; or
- (b) a commitment to any individual project totalling more than 20 days in an academic year; or
- (c) any combination of paid professional activities that are likely to exceed 45 days during an academic year.¹⁵

Many uses of NIM, including commercialization, would therefore fall under the conflicts policy quite independently of the University being able to claim any proprietary interest in the work. As the policy contemplates any teaching beyond occasional lectures, we believe that remuneration for the use of NIM by another institution is caught by these provisions. This would mean that faculty would have to disclose their use of NIM and seek approval for their activities. However, we recognize that this is an interpretation of the existing policy and that it would be advisable to revise the language of the policy to include explicit language to this effect. Moreover, current University practice focuses on the time element involved in potential conflicts and it is important that the policy recognize that conflicts may occur in the context of NIM even with no significant time commitment on the part of a faculty member. For example, if a faculty member decides to provide his or her NIM work to another institution then this does not involve any further time commitment as the work already exists. However, depending on the circumstances, it may involve a conflict of interest.

The policy also states that the division head or chair who is to make the decision regarding major paid professional activities

shall evaluate the request in light of the extent to which the activity will undermine rather than enhance the teaching, research, and service responsibilities of the faculty member, while at the same time recognizing that faculty members are not to be discouraged from nor unduly restricted in this sort of activity, as it represents an important mechanism for disseminating the knowledge and expertise of faculty members to the community and for contributing to the faculty member’s intellectual and professional development.¹⁶

It is clear from this that uses of NIM consistent with the University mission will be permitted. However, we recommend that the language of this policy make explicit that the University may also consider the University’s reputation, and broader effects on the University community and its ability to maintain its core principles. It should be recognized that the University’s reputation depends upon a climate of intellectual pluralism and vibrant debate.

The current policy is a frozen policy under the Memorandum of Agreement between the University and UTFA and any amendments to it would require the consent of both UTFA and the University.

¹⁵ Section 3.

¹⁶ Section 5(d).

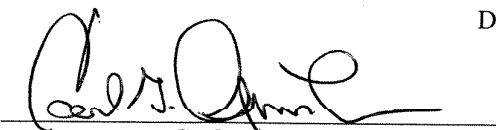
7 Promotion of New Instructional Media

The proposed policy cannot operate in a vacuum. If NIM is to reach its full potential in promoting the University mission then many other forms of support must be put in place, and University practices in this area must match University policy to avoid confusion and conflict.

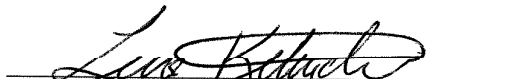
In light of this, the Task Force echoes many of the recommendations of the Task Force on Technology-Assisted Education in calling for further institutional support for NIM both in the form of increased investment and PTR recognition for faculty who participate in these projects. In particular, we believe that further investment in an on-site facility that can support faculty work in this area is crucial to the successful exploitation of NIM at the University. Such a facility or facilities should provide "one-stop shopping" for faculty. It is important that expert help is given to faculty in such a way that makes it as easy as possible for faculty to concentrate on their strengths of content provision and not have to invest considerable time in attaining technical know-how. We also note that many applications of NIM will not be commercially attractive but nonetheless are integral to the University mission in a global environment. Producing NIM at the University will ensure that this promise will be realized in high-quality products consistent with the strong reputation of the University of Toronto as well as insulate our initiatives from current concerns regarding the stability and interest of commercial providers in this area.



Ron Daniels
Dean, Faculty of Law



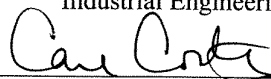
Carl Amrhein
Dean of Arts & Science



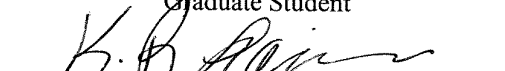
Lena Kikuchi
Graduate Student

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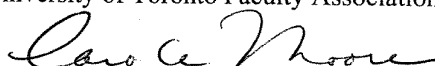
Mark Chignell
Department of Mechanical and
Industrial Engineering



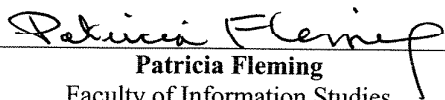
Carl Corter
Associate Dean, OISE/UT



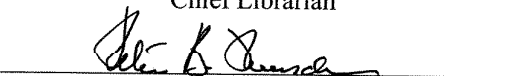
Kenneth Lavin
Gerstein Science Information Library and
University of Toronto Faculty Association



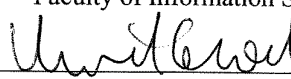
Carol Moore
Chief Librarian



Patricia Fleming
Faculty of Information Studies



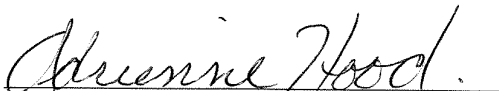
Peter Munsche
Assistant Vice-President, Technology Transfer



Vivek Goel
Vice Provost, Faculty



Judith Poë
Department of Chemistry and
University of Toronto Faculty Association



Adrienne Hood
Department of History



Lawrence Spero
Department of Pharmacology and
Teaching Laboratories

*Professor Chignell currently outside Canada. Will sign upon his return.



University of Toronto

OFFICE OF THE VICE-PRESIDENT - RESEARCH AND INTERNATIONAL RELATIONS

Memorandum

TO: **Task Force on Intellectual Property Relating to Instructional Media**
 FROM: Jason T. Bechtel
 Intellectual Property & Contracts Counsel April 20, 2001
 SUBJECT: **University of Toronto Policies Relating to Instructional Media**

Three University of Toronto policies establish the framework for rights in intellectual property created by members of the University community: the 1977 *Policy on Copyright and Other Proprietary Rights*, the 1988 *Policy on Computer Software* and the *Inventions Policy*, passed in 1990. Nearly two and a half decades have passed since the creation of the first of these policies, which attempted to cover all proprietary rights in intellectual property. There have been major changes in both intellectual property law and information technology since the passing of that *Policy on Copyright and Other Proprietary Rights*. The *Policy on Computer Software* and the *Inventions Policy* addressed some of these changes, but the earlier policy is no longer consistent with current practice and the expectations of the University community.

Additionally, with today's technology, faculty can create instructional works which could compete with the University's own course offerings if licensed to a company or another University. Moreover, in the absence of any controls, the University's name could be used to market these competing works. The *Policy on Conflict of Interest, Academic Staff* sets out the circumstances in which faculty members may engage in activities that may pose an actual or potential conflict of commitment to their University responsibilities.

This memorandum outlines the foregoing policies and sets out points for consideration in the redrafting of existing policy.

I. Policy on Copyright and Other Proprietary Rights (1977)

Application: This policy applies to all copyrights, rights of commercial use, and all other proprietary rights, except patent rights, in "works" resulting from University-commissioned and University-sponsored activities of community members. Patent rights were covered by the *Patent Policy* (now the *Inventions Policy*).

"Works" are broadly defined to include all products of University-sponsored activities, including software, audio-visual materials, articles, books, data, know-how, and research techniques, tools, equipment, and instruments. "University-sponsored" activities entail explicit financial support given or administered by the University and "non-trivial" use of University resources. The policy does not apply to works created with only incidental use of University resources, without funding administered or provided by the University, and not under commission.

Effect: Generally, the policy gives the University all rights in works resulting from University-sponsored activities, including some scholarly works created using funds administered by the University. The policy requires the University's approval of all "non-trivial" commercialization of the results of University-sponsored

activities, other than the publication of books and articles. The policy provides for sharing of revenue from commercialization of intellectual property, other than royalties and honoraria received by authors from the publication of books and articles.

In practice, however, the University generally does not claim copyright on books, articles, plays, music, films, videos or other copyright works created by University faculty, staff or students. There are two major exceptions to this practice:

- **Works created under commission or contract:** Works created as part of the terms of the creator's employment with the University or under commission from or service contract with the University or a sponsor of the research. Rights are determined in accordance with the contract.
- **Computer software:** Software that lies in the first three categories of the *Policy on Computer Software* (see below). This includes multi-media works. Rights are determined in accordance with the *Policy on Computer Software* and the *Inventions Policy*.

II. Policy on Computer Software (1988)

Application: The policy applies to "computer software," defined as a set of instructions that is expressed, fixed, embodied or stored in any manner and that can be used directly or indirectly in a computer to bring about a specific result, including related documentation.

Effect: This policy recognises several different categories of computer software, based on the circumstances under which the software was created. These categories range from sole ownership by the creator when University resources are used only incidentally to create the software, to University ownership where the work was commissioned by the University. A table outlining the categories is attached as an appendix to this memorandum.

Generally, software which has been developed with the aid of University resources or using funds administered by the University is treated as an "invention" under the *Inventions Policy* and is, at first instance, owned jointly by the creator and the University.

III. Inventions Policy (1990)

Application: The *Inventions Policy* applies to inventions, whether or not patentable, computer software within Categories 1(b) and 3 of the *Policy on Computer Software* (see attached table), trademarks relating thereto, and to any like proprietary right not covered by the *Copyright Policy*. It does not apply to inventions, computer software and related trademarks created in the course of demonstrably private research unrelated to the creator's University functions or in the course of consulting activities to outside bodies, when those activities do not involve substantial use of University facilities.

Effect: The University owns all inventions made in the course of activities performed under the direction of the University specifically with the object of making the invention. All other inventions within the scope of the policy are owned jointly by the University and the inventor. The inventor is obliged to disclose any invention to the University and will be asked which of two "routes" he or she wishes to follow:

- **Assignment of rights to the University:** The inventor offers the invention to the University. If the University accepts the offer, it assumes responsibility for legally protecting and marketing the invention, finding a licensee, negotiating a licence agreement and administering that agreement. The University retains 75% of the net revenues; the inventor receives 25%.

- **Assignment of rights to the inventor:** The University assigns its rights to the inventor, who assumes responsibility for legally protecting and marketing the invention, finding a licensee, negotiating a licence agreement and administering that agreement. The inventor retains 75% of net revenues; the University receives 25%.

Prior agreements with sponsors and external institutions can limit the application of this policy. For example, if a grant or contract gives the sponsor or licensing rights or ownership, such obligations apply regardless of which route is followed.

IV. Policy on Conflict of Interest Policy - Academic Staff (1994)

Application: This policy identifies the pursuit of truth, advancement of learning and dissemination of knowledge generally as the principal responsibilities of a faculty member to the University and provides a mechanism for disclosure and review of activities that may present an actual or apparent conflict with these responsibilities.

Effect: This policy requires academic staff to obtain the approval of the person to whom they report before they can:

- engage in “major paid professional activities,” defined as teaching for remuneration outside the University, commitment to any single paid professional activity totalling more than 20 days a year, or any combination of paid professional activities likely to exceed more than 45 days a year;
- use University facilities, supplies, staff or students in privately undertaken work or paid professional activity;
- influence the use of University funds to convey or deny a financial or commercial benefit on a member of the faculty member’s immediate family or a person with whom there exists, or has recently existed, an intimate personal relationship;
- evaluate, or confer or deny academic benefit on, a member of the faculty member’s immediate family or a person with whom there exists, or has recently existed, an intimate personal relationship;
- undertake research sponsored by a company or organisation in which a significant financial interest is held by the faculty member or any member of the faculty member’s immediate family or any person with whom there exists or has existed an intimate personal relationship.

The policy also requires that, when publishing the findings of research, a faculty member must name the source of funding in the publication.

V. Discussion

The existing *Copyright Policy* states that all rights in works produced by faculty “shall normally vest in the University” where the University has provided “non-trivial” support for the works. Subsequently, the *Policy on Computer Software* and the *Inventions Policy* have carved out certain exceptions to this general principle.

However, read together with the other applicable policies, the *Copyright Policy* would grant the University ownership of all rights in intellectual property created with “non-trivial” use of University resources, except inventions covered by the *Inventions Policy* and copyright in printed articles and books. Creators would be required to disclose all such intellectual property to the University and the University would bear the burden and associated cost of administering its rights in this large body of intellectual property.

Despite the principle of University ownership, other parts of the *Copyright Policy* give authors the rights normally associated with copyright ownership, such as the sole right to negotiate agreements with publishers and be the sole recipients of royalties from books and articles. Generally however, the barriers to commercializing most intellectual property set out the *Copyright Policy* would, if actually enforced, provide less of an incentive for creators to commercialize intellectual property than the existing procedure under the *Inventions Policy*.

The existing *Copyright Policy* also purports to deal with rights in research tools, but further clarification of ownership of research tools is required. Research tools are products of one research project that, while not inventions within the scope of the *Inventions Policy*, can nevertheless be useful in other projects. While some may have commercial value, the principal reason for clarifying their ownership is to ensure that they are conserved and made available to the research community. There have also been disputes between students and their supervisors regarding ownership of data. Again, strict application of the *Copyright Policy* would generally result in the assignment of all rights in research tools to the University.

With regard to copyright in “new media” works, the University has the option of making no distinction between works in print and those published in “new media.” However,

- Computer software is one kind of copyright work which, absent the *Policy on Computer Software*, would be dealt with solely under the *Copyright Policy*. The *Policy on Computer Software* reflects the view that ownership should vary according to the circumstances under which the work was created, and how is it used. “New media” works, it could be argued, are a type of software. In terms of practical impact, this interpretation would confirm, rather than alter, the status quo.
- Traditionally, the University has had a double standard with regard to intellectual property. Intellectual property arising from the sciences is often patentable subject matter or software, which is clearly subject to the *Inventions Policy*. Under that policy, the University has claimed joint ownership and a share in revenues arising from commercialization. In contrast, intellectual property arising from the arts and humanities more often comprises books and articles in print, which have been subject to no such claim – even when they generated substantial revenues. This has been noted, and resented, by faculty working in the sciences.
- Using today’s technology, faculty are now able to create instructional works which, if licensed to a company or another university, could be in competition with the University’s own course offerings. The development of such a course for a third party using University resources may be reviewable under the *Policy on Conflict of Interest, Academic Staff*, and teaching for remuneration outside the University is deemed to be a reviewable activity under that policy. Moreover, in the absence of any controls, the University’s name could be used to market these competing works. Treatment of instructional works in the same manner as other forms of intellectual property may provide a useful “checkpoint” to manage these issues and ensure that appropriate measures to minimize conflicts of interest are taken.

Policy on Computer Software: Categories of Computer Software

Definition: "Computer software" is a set of instructions that is expressed, fixed, embodied or stored in any manner and that can be used directly or indirectly in a computer in order to bring about a specific result. In this policy, "computer software" includes related documentation.

	Category	Ownership	Revenue Sharing
1(a)	Created for University purposes in the course of the creator's employment or under a contract for services	University	University retains all revenue
1(b)	Created in the course of the creator's employment or under a contract for services, under a program or project where funds are administered or provided by the University	Project Director and University (deemed an invention under <i>Inventions Policy</i>) Project Director may elect to take personal ownership or assign to University	Shared in accordance with <i>Inventions Policy</i> : party taking ownership retains 75% of net revenue, other party receives 25%
2	Created under an externally funded grant or contract entered into specifically for the creation of the software	University, which may assign to sponsor *	
3	Created with significant use of University resources or facilities and/or as part of a research program where funds are administered or provided by the University	Creator and University (deemed an invention under <i>Inventions Policy</i>) Creator may elect to take personal ownership or assign to University	
4	Created without significant use of University resources or facilities and independent from research programs where funds are administered or provided by the University		
5	Created by a student as part of assigned work or studies or as an independent activity, without significant use of University resources or facilities and independent from research programs where funds are administered or provided by the University	Creator	Creator retains all revenue
* Unless the agreement with the sponsor requires otherwise, Category 2 software is treated in practice in the same manner as Category 3 software and may be assigned to the creator, subject to any rights of the sponsor.			

Copyright Policy: Comparison between Policy Requirements and Current Practice

Copyright Policy IP = Inventions Policy CS = Policy on Computer Software Practice	
P R O P R I E T A R Y R I G H T S	
Creator makes incidental use of normally available University resources: creator holds all rights. <u>CP</u> 4(a).	Same. See also <u>IP</u> 1.2 and <u>CS</u> categories 4 and 5.
University directs creator to develop a work as part of creator's employment duties (i.e. work for hire): University holds all rights. <u>CP</u> 4(b).	Same. See also <u>IP</u> 2.1 and <u>CS</u> category 1(a).
Where University administers funds provided by a sponsor under an agreement with the sponsor, agreement may require assignment of rights in works to sponsor. <u>CP</u> 4(d), 7 & 13.	Same. See <u>IP</u> 2.4 and <u>CS</u> Category 2.
University provides/administers funds and/or creator makes non-trivial use of University resources: <ul style="list-style-type: none"> • Creator holds all rights in articles and books. • University holds all other rights and creator may only use and distribute the work for non-commercial purposes. <u>CP</u> 4(c) and 9. 	Creator holds all rights, unless work for hire or an invention under <u>IP</u> (including certain software under <u>CS</u>). If invention under <u>IP</u> , jointly owned by University and creator; creator entitled to receive assignment of University's rights. If creator does not want assignment, University may request assignment of creator's rights. <u>IP</u> 2.2, 3.2 & 3.3. <i>Are articles and books in electronic form "computer software" under <u>CS</u>?</i>
Unless University or sponsor holds copyright, creator has right to negotiate for publication of articles and books. <u>CP</u> 8.	Same.
Where University holds copyright in articles or books, creator may cause University to assign its rights to a publisher if publisher so requires. <u>CP</u> 8.	Creator holds all rights in articles or books, so no assignment required, unless work for hire or invention under <u>IP</u> (including software under <u>CS</u> categories 1(b) or 3). If invention under <u>IP</u> , creator entitled to receive assignment of University's rights. <u>IP</u> 3.1.
Regardless of ownership, University and creator each retain the non-exclusive right to use the work for research and teaching purposes.	Same.
R E V E N U E S H A R I N G	
Creator receives all revenue from publication of books or articles. <u>CP</u> 8 & 12(a).	Same, unless work for hire or invention under <u>IP</u> (including certain software under <u>CS</u>).
In all other cases where University or creator hold rights, University and creator share revenue. <ul style="list-style-type: none"> • Revenue from patents shared under <i>Patent Policy</i> (now <u>IP</u>). • Revenue from audio-visual materials shared under <i>Policy on Rights Relating to Audio-Visual Materials</i> (defunct). • Revenue from all other works first applied to reimburse legal, distribution, duplication, and maintenance; remainder shared according to formula. <u>CP</u> 12(d). 	<ul style="list-style-type: none"> • Creator receives all revenue, unless work for hire or invention under <u>IP</u> (including certain software under <u>CS</u>). If invention under <u>IP</u> and: <ul style="list-style-type: none"> • Creator owns, creator retains 75% of net revenue; University receives 25%; or, • University owns, creator receives first \$1,000 of net revenue plus 25% of net revenue thereafter; University retains 75%. <u>IP</u> 5.

May 17, 2001

UNIVERSITY POLICIES ON NEW INSTRUCTIONAL MEDIA: BEST PRACTICES OF PEER INSTITUTIONS

Discussion Paper for the University of Toronto Task Force on Intellectual Property Relating to Instructional Media

Introduction

Traditionally, most universities have not asserted property rights over works of authorship such as textbooks but have done so with respect to inventions, usually in conjunction with a revenue-sharing scheme. However, New Instructional Media (NIM) shares features with both texts and inventions and so raises important questions regarding their treatment. NIM may look like traditional texts simply disseminated through electronic media, such as when text-based course materials are put on-line. Yet new types of pedagogical materials may include software components that are patentable, may require the significant use of university resources for their development, and may have significant commercial potential. Therefore some parties have argued that extending the traditional university position regarding copyright to cover NIM is not appropriate. In addition, the uses to which NIM can be put often raise novel issues regarding conflict of commitment and the use of the University name. Finally, in seeking to create a policy regarding NIM, these issues must be addressed in a way that does not undermine the University's core mission of education, research, and the creation and dissemination of knowledge, or the academic freedom of faculty.

Different Models

Responses to these concerns regarding the appropriate treatment of NIM have varied. The most dramatic recent development has been MIT's announcement of its OpenCourseWare, which will make available MIT course materials available on the web for free.¹⁷ A pilot program is to begin in the fall of 2001, and the intention is that most materials will fall under the MIT policy on textbook authorship, with MIT retaining ownership "when significant use has been made of the Institute's resources." There is currently an Ad Hoc Faculty Committee on Intellectual Property and Conflict of Commitment that is charged with determining the principles that are to guide ownership of intellectual property in this arena of new educational technology.¹⁸ Therefore at this time they do not have an actual policy to study.

This memo discusses the policies of four Universities—Chicago, Columbia, McGill and Melbourne—who have recently revised their intellectual property policies in light of NIM. While these policies try to reconcile a similar set of interests, they nonetheless represent different models. Understanding some of the key differences between these four policies can highlight the major choices facing the University of Toronto in creating its own policy. The differences between these policies with respect to the comprehensiveness of the policy, who can claim ownership, commercialization, revenue sharing, use of university name, disclosure requirements, conflict of interest/commitment, and dispute resolution are outlined in the following discussion and comparison chart. However, it is worth highlighting these first two issues, as they are probably the most important to determine at the outset.

Comprehensiveness of the Policy

¹⁷ See: <http://web.mit.edu/newsoffice/nr/2001/ocw-facts.html> (last visited 5/17/01).

¹⁸ See: <http://web.mit.edu/committees/ip> (last visited 5/17/01).

McGill and Melbourne have opted for a comprehensive intellectual property policy. However, within its policy McGill makes a traditional distinction between copyright, software and inventions. Melbourne has one regime regardless of the type of intellectual property right at stake or the nature of the subject matter. Both Columbia and Chicago deal with most intellectual property issues arising out of NIM through revisions to their copyright policies and retain separate policies dealing with patentable inventions.

Ownership

The policies fall along a spectrum, from Chicago asserting that the University owns all intellectual property to Melbourne asserting that the faculty owns all intellectual property. However, these two extremes are more similar than they may appear at first glance. Melbourne claims a share in revenue once revenues exceed \$50,000. Similarly, Chicago claims to only exercise IP rights when revenue from commercial use becomes substantial. This is in contrast to Chicago's *Patent Policy*, in which rights are assigned to the University and the University *manages* the intellectual property from the outset, sharing returns with the inventor. Therefore, the practical effect at both Chicago and Melbourne is to allow faculty to manage intellectual property with respect to NIM until a certain level of commercial revenue is reached. This is irrespective of the level, and type, of initial institutional investment in the relevant work although such considerations do play a role in the revenue sharing scheme.

Columbia and McGill fall in between the Chicago and Melbourne models, as neither has a default position that grants all intellectual property rights in NIM to either the University or faculty. Columbia makes the level of resources used determinative, and also asserts ownership over institutional courses, which are the result of collaboration over time. Therefore it focuses on the creation process. Columbia also deals with any patentable aspect of software through a separate policy (as does Chicago). McGill's policy focuses on the subject-matter rather than revenue or the creation process. Therefore "Works" are treated differently from "Software" (which includes "Learnware"), which is treated in a substantially similar manner to "Inventions". Both McGill and Columbia allow for these arrangements to be altered through specific agreements and both assert revenue sharing interests over some aspects of intellectual property.

University of Chicago

The University of Chicago report entitled *New Information Technologies and Intellectual Property at the University* (1999) recommends that since the dissemination of knowledge at a University is essentially a collective enterprise, the University should take steps to implement the principle that "the University owns the intellectual property the faculty create at the University or with substantial aid of its facilities or its financial support."¹⁹ However, the University would only assert this interest when the revenues generated by the commercial use of new information technologies are "substantial". Therefore faculty would continue to enjoy royalties from traditional texts, even if disseminated electronically, as these generally do not command substantial revenues.

The report is also clear that "[n]either new information technology nor rules and procedures designed to accommodate them should interfere in any way with the ability of faculty members to pursue their research and freely present their ideas to their colleagues, their students and the world at large."

Other features of this policy include:

- Timely disclosure of faculty uses of new technology for commercial gain is essential.

¹⁹ Available at: http://www.uchicago.edu/docs/policies/intell_prop.html (last visited 2/22/01).

- Revenue sharing between faculty and the University should follow the model already developed for patents and discoveries.
- Disputes over ownership are to be resolved by the faculty committee already in place to resolve other intellectual property disputes.
- Existing policy regarding conflict of interest and conflict of commitment should not change.
- Faculty use of new information technologies should not give the appearance of being sponsored by the University.

Software that is considered “device-like” would be treated as an invention and covered under the University of Chicago’s *Policy on Patents and Software*.²⁰ However, this does not include software that has a primarily educational focus, which is treated as published material.

The University of Chicago’s policy on *Outside Professional and Commercial Interests of Faculty/Conflict of Interest* (1996) reiterates the University’s basic policy requiring that the outside consultation and educational activities of faculty be consistent with the faculty’s obligations to the University and the “fullest development of scholarly activities”.²¹ However, recognizing the increasing complexity of faculty involvement in outside activities, it discusses in more detail possible conflict of interest. A conflict of interest is held to exist when “the designated official reasonable determines that a Significant Financial Interest could directly and significantly affect the performance of University duties.” The policy does not specifically address conflicts of commitment.

Columbia University

Columbia University’s *Copyright Policy* (2000) directly addresses many of the issues arising from the use of new instructional media. It recognizes that faculty have copyright ownership of traditional works of authorship such as textbooks. However, it asserts copyright in any work that is:

- (i) created with substantial use of University resources, financial support or non-faculty University personnel beyond the level of common resources provided to faculty; (ii) created or commissioned for use by the University; or (iii) created under the terms of a sponsored project where the terms of the sponsored project require that copyright be in the name of the University.

Substantial use of University resources does not include the ordinary use of computer facilities, office, library and secretarial staff and supplies. However, use of the University’s name in connection with the work except to identify the creator is considered to be use of a significant University resource.

The policy distinguishes between “courseware”, which is the technology used to present course content and “course content”, which is the intellectual content of the course. The University asserts copyright over the course content and courseware created for “institutional courses”, which are those “created under the aegis of a school or department of the University”. It also asserts copyright where faculty has created a non-institutional course making substantial use of University resources, as well as over all videotapes and recordings made at University expense. However, faculty are still accorded the following rights:

- Faculty who have created this course content or courseware are free to use it and change it for non-commercial University purposes such as teaching or research.
- The University will not commercialize course content and courseware without the agreement of the faculty members who created it, and any revenue arising out of such commercialization will be shared with the creators.

²⁰ Available at: <http://www.uchicago.edu/adm/spec-proj/ARCH/ucpatpol.html> (2/16/01).

²¹ Available at: <http://www.uchicago.edu/adm/ura/guidelines/G200/205.html> (last visited 2/23/01).

- A faculty member who leaves the University is free to use the course content and courseware that he or she created for teaching, research and other non-commercial purposes provided that Columbia's name is not used.
- The University will accommodate the wishes of the creator of the work to freely distribute it to the public so long as the benefits outweigh the advantages of commercialization.

Faculty has copyright over non-institutional course content and courseware, so long as it is developed without the substantial use of University resources. This is subject to the following restrictions:

- If videotaped or recorded at University expense, the University has rights over the recording, but not the intellectual content.
- Faculty may not commercialize course content or courseware created either at Columbia University or while visiting other academic institutions without University approval.
- If the Faculty member leaves Columbia University, then he or she is free to commercialize the course content and courseware providing that Columbia's name is not used and that Columbia University is accorded the right to continue using the course content and courseware for non-commercial educational activities.

Columbia University's *Statement of Policy on Proprietary Rights in the Intellectual Products of Faculty Activity* (1989) is much like other general inventions policies except that it deals with the conditions under which the University will assert commercial rights in a "conception" defined as "[a]n invention or discovery that is or may be patentable, together with any supporting technology, including computer programs and computer screen presentations, required for its development and exploitation."²²

Some aspects of Columbia University's *Statement of University Policy on Conflicts of Interest* (1987) are germane to the issues raised by new instructional media.²³ With respect to conflicts of commitment, faculty are not permitted to take a regular teaching assignment with another institution without permission from the University, which requires the "assurance of the Department Chairman to the Dean that such employment will not impair the institutional offerings of the department". With respect to the use of the University name or resources, the name of the University may only be used in connection with legitimate University purposes and University resources can not be used in connection with outside activities except with special permission to be granted only in certain circumstances.

McGill University

McGill's recent *Proposal for a Policy on Intellectual Property* (March 29, 2001) combines policy statements regarding copyright, software, inventions, and commercialization in one policy.²⁴ Conflicts of interest are dealt with through a separate *Conflict of Interest Policy*.²⁵

Under McGill's proposed policy, copyright is treated separately from software and inventions. The section of the policy regarding copyright provides that the author of a "Work" owns the copyright, and "Work" is defined as "literary, scientific, technical, dramatic, musical, artistic, architectural work material and any original production within the purview of the Copyright Act, with the exception of Software." The exceptions to this policy include when the Work was created pursuant to a formal agreement with the University, including when sponsored by a third-party, in which case copyright is determined by the terms of the agreement. Another

²² Available at: <http://www.columbia.edu/cu/cie/policy.html> (last visited 2/16/01).

²³ Available at: http://www.columbia.edu/cu/vpaa/fhb/app/app_j.html (last visited 2/16/01).

²⁴ Available at: <http://vml.mcgill.ca/~inmf/http/ip/ipp010329.html> (last visited 5/14/01).

²⁵ Available at: <http://www.mcgill.ca/vpadmin/adminhandbook/c04a.html> (last visited 5/14/01).

exception is when software is the primary constituent of the Work, in which case it is governed by the software policy. In addition, the policy stipulates that the University is given a non-exclusive license to use, for academic purposes, all Works created “a) with University assistance; or b) with the use of University equipment, facilities, or resources; or c) in the course of academic duties or work in the course of study, research or teaching.” These academic purposes include research and teaching at the University, but do not include commercialization, the reproduction of published Works, or the dissemination of Works beyond the University community. The University does not claim any share of revenues derived from Works.

“Learnware” is defined as “Software designed for teaching purposes that provides for interaction with the user, or makes use of a Multimedia Product, or both. It includes technology-enabled learning products in electronic format.” As software, this is dealt with under the section regarding “Policy on Software and Inventions,” which provides joint ownership between faculty and the University when created:

a) with University assistance; or b) with the use of University equipment, facilities, or resources; or c) in the course of academic duties or work in the course of study, research, or teaching; and in the case of Learnware, in the fields in which the Inventor has been teaching and doing research in the six years preceding the date of creation of such Learnware.

There are several exceptions. For example, if Software consists in simply the electronic form of a Work, or is ancillary to a Work, then all rights are owned by the inventor. If Learnware is developed outside a faculty member’s field of academic research and only incidental use has been made of University resources, then all rights are owned by the inventor. If Learnware has been specifically funded by the University and is part of a web based course, then the rights are to be apportioned in a written agreement.

Inventors are not obliged to commercialize their software, and are free to disseminate it without profit, unless there is a specific agreement to the contrary or it is Learnware developed as part of a web based course specifically funded by the University. However, inventors may not commercialize inventions independently of the University, and disputes are handled through a dispute resolution process. Revenue sharing is provided for only with respect to software and inventions, and not the policy on copyright.

McGill’s *Conflict of Interest Policy* has many standard features found in other conflict of interest policies. In addition, it has a section discussing the duty of loyalty owed to the University. Such a duty includes not engaging in external activities that would divide an individual’s loyalty between the University and the external activity or employer. In addition, individuals may not directly compete with the University without authorization or be associated with an enterprise that “falsely implies that it is associated with or benefits from the University.”

University of Melbourne

Melbourne’s intellectual property policy is Statute 14.1 of the *Melbourne University Act*.²⁶ This policy asserts that the creator of intellectual property owns all rights with respect to that property, subject to some obligations. These include the requirement that faculty must undertake to “use all reasonable endeavours” to see that commercial exploitation is for the benefit of Australia. They must obtain the written consent of the University to use its name in connection with the commercial exploitation of the intellectual property. The University is given the “absolute discretion” to grant or withhold such consent. In addition, there are many provisions whose aim is to protect the University from any liability or obligations arising out of the exercise of

²⁶ Available at: <http://www.unimelb.edu.au/ExtRels/ASDiv/IPPolicy/index.html> (last visited 15/05/01)

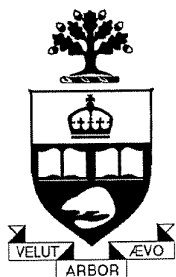
these intellectual property rights. However, if there is a specified agreement regarding intellectual property, then rights are to be exercised in accordance with that agreement.

Despite this default position in favour of the creator of intellectual property, the University requires that it be granted a non-exclusive license to commercially exploit the intellectual property for the University's educational purposes, including "research, teaching and scholastic endeavours." In addition, the University requires a share in revenues from the creator's commercial exploitation of his or her intellectual property once those revenues exceed \$50,000. After revenues exceed \$50,000, the University requires reimbursement of its direct costs and then the receipt of royalties. In addition, if the University determines that the creator has not taken reasonable steps to protect and exploit his or her intellectual property then the creator must grant a license to the University to allow it to protect and exploit these rights.

	Chicago	Columbia	McGill	Melbourne	Toronto (Proposed)
University IP policy governing new instructional media	<p><i>New Information Technologies and Intellectual Property at the University</i> (1999)</p> <ul style="list-style-type: none"> separate patent policy 	<p><i>Copyright Policy</i> (2000)</p> <ul style="list-style-type: none"> separate policy for inventions and discoveries 	<p><i>Proposal For A Policy on Intellectual Property</i> (March 29, 2001)</p> <ul style="list-style-type: none"> governs all forms of IP but distinctions made between types 	<p>Statute 14.1 of the <i>Melbourne University Act</i></p> <ul style="list-style-type: none"> governs all forms of IP in the same manner 	<p><i>Copyright Policy</i></p> <ul style="list-style-type: none"> application restricted to copyright works general principles in policy may be varied by agreement <p><i>Inventions Policy</i> continues in force with respect to inventions</p> <ul style="list-style-type: none"> author owns copyright in work author retains all moral rights in work
Faculty owns IP	<ul style="list-style-type: none"> de facto ownership when no commercial use or revenues generated are not substantial 	<ul style="list-style-type: none"> traditional works of authorship (e.g. textbooks) non-institutional course content and courseware, unless created with substantial use of University resources or otherwise subject to contractual obligations 	<p>Copyright</p> <ul style="list-style-type: none"> faculty owns copyright in any authored "Work" (as defined under Copyright Act) except for Software <p>Software</p> <ul style="list-style-type: none"> Learnware is defined as software Joint ownership in Software, unless Software is outside field of research, or incidental use of University facilities made, and no written agreements to the contrary when Learnware specifically funded by University, rights apportioned in a written agreement 	<ul style="list-style-type: none"> faculty owns all forms of IP in work 	
University owns IP	<ul style="list-style-type: none"> "the University owns the intellectual property the faculty create at the University or with substantial aid of its facilities or its financial support" however, IP rights only asserted when the revenues generated by the commercial use of new information technologies are substantial 	<ul style="list-style-type: none"> created with substantial use of University resources, financial support or non-faculty University personnel beyond the level of common resources provided to faculty created or commissioned for use by the University created under the terms of a sponsored project where the terms of the sponsored project require that copyright be in the name of the University includes institutional works and courses; videotapes recordings made at University expense 	<p>Copyright:</p> <ul style="list-style-type: none"> work results from research sponsored by a third party and written agreement determines copyright formal agreement with the University determines copyright work contains software as the primary constituent <p>Software:</p> <ul style="list-style-type: none"> with University assistance with the use of University equipment, facilities or resources in the course of academic duties or work <p>subject to some exceptions</p>	<ul style="list-style-type: none"> under specific agreements may take back commercial rights if faculty not taking reasonable steps to protect and exploit IP 	<ul style="list-style-type: none"> University owns copyright in works created in the course of employment however, works created in the course of University research and instruction, or new instructional media, created by faculty or librarians, are not considered to be made in the course of employment University owns copyright in works commissioned by the University under a written agreement with the author

	Chicago	Columbia	McGill	Melbourne	Toronto (Proposed)
University Rights when faculty owns IP		<ul style="list-style-type: none"> faculty may not commercialize course content or courseware without University approval if faculty leaves University, can only commercialize course content or courseware if Columbia's name is not used and if Columbia is accorded the right to continue using the work for non-commercial educational activities 	<ul style="list-style-type: none"> automatically granted a license to use Work for academic purposes when created <ul style="list-style-type: none"> with University assistance with the use of University equipment, facilities or resources in the course of academic duties or work University process to deal with commercialization of software 	<ul style="list-style-type: none"> non-exclusive license to commercially exploit IP for educational purposes right to receive share of revenues when revenues exceed \$50,000 if commercialized, use of University name requires written permission from University 	<ul style="list-style-type: none"> where the creation of the work involves the substantial use of University resources, University has: <ul style="list-style-type: none"> right to receive share of revenue if the work is commercialized non-exclusive, perpetual license to use the work for teaching and research purposes within the University, but may not publish revisions to the work without the original author's consent author retains all moral rights author may revise the work at reasonable intervals author retains the right to use and modify the work for non-commercial purposes
Faculty rights when university owns IP	<ul style="list-style-type: none"> policy recognizes that "scholars must be able to control their own intellectual agendas and the way their work is presented to the rest of the world" questions of control should be addressed at the outset of projects 	<ul style="list-style-type: none"> if faculty created work, then acknowledge of contribution free to use it and change it for non-commercial University purposes free to use work for non-commercial purposes if leaves University, provided Columbia's name not used accommodation of wish of creator to freely distribute it to the public so long as the benefits outweigh the advantages of commercialization revenue sharing 	<ul style="list-style-type: none"> University will respect decision of inventor not to commercialize inventor or software 	<ul style="list-style-type: none"> if University takes back commercial rights the faculty still entitled to share in revenues 	
Revenue sharing	<ul style="list-style-type: none"> follows model developed for inventions and discoveries 	<ul style="list-style-type: none"> follows guidelines from patent policy provisions apply to both institutional and non-institutional course content and courseware 	<ul style="list-style-type: none"> faculty entitled to keep any income derived from Work revenue sharing provisions for Software 	<ul style="list-style-type: none"> after \$50,000, University entitled to recoup costs and then receive royalties 	<ul style="list-style-type: none"> follows model under the <i>Inventions Policy</i>, unless otherwise agreed

	Chicago	Columbia	McGill	Melbourne	Toronto (Proposed)
Disclosure/ notification	<ul style="list-style-type: none"> early disclosure of creation to chairs or deans sooner but less formal than for discoveries and inventions 	<ul style="list-style-type: none"> prompt disclosure of copyrightable works in which University may claim rights 	<ul style="list-style-type: none"> if software or invention to be commercialized, disclosure to Office of Technology Transfer required before public disclosure commercialization plan then negotiated (exceptions include when rights wholly owned by Inventor) 	<ul style="list-style-type: none"> notice of assignment of rights and terms of commercialization prior to commercialization (does not apply to copyright in works) 	<ul style="list-style-type: none"> if work to be commercialized, disclosure to Office of Technology Transfer
Use of university name	<ul style="list-style-type: none"> no specific provisions 	<ul style="list-style-type: none"> covered under <i>Statement of University Policy on Conflicts of Interest</i> (1987) – can only use in connection with outside activities w/ special permission of University also included within definition of substantial use of University resources in Copyright policy 		<ul style="list-style-type: none"> University has absolute discretion to withhold permission to the use of its name in connection with commercial exploitation of IP 	<ul style="list-style-type: none"> use of the University name in connection with the work, apart from indicating the institutional affiliation of the author(s), requires explicit permission from the University
Administration and dispute resolution of policies	<ul style="list-style-type: none"> disputes resolved by faculty committee already in place to resolve other intellectual property disputes 	<ul style="list-style-type: none"> disputes resolved by Copyright Policy Standing Committee appeal to President 	<ul style="list-style-type: none"> disputes referred to Vice Principal (Research) Intellectual Property Appeals Committee hears appeals from decisions of VP (Research) 	<ul style="list-style-type: none"> intellectual property officer appointed by the Vice-Chancellor 	<ul style="list-style-type: none"> agreements among authors and University encouraged if cannot resolve by agreement, disputes resolved by 3-member Board of Arbitration
Conflict of interest/ commitment policy	<p><i>Outside Professional and Commercial Interests of Faculty/ Conflict of Interest</i> (1996)</p> <ul style="list-style-type: none"> focus on: financial interests 	<p><i>Statement of University Policy on Conflicts of Interest</i> (1987)</p> <ul style="list-style-type: none"> outside consulting of one day per week outside teaching only with permission of University 	<p><i>Conflict of Interest Policy</i> (1998)</p> <ul style="list-style-type: none"> external time commitments cannot interfere with University duties external commitments cannot create divided loyalty no unauthorized competition with University no unauthorized association of enterprise with University 	<p><i>Code of Conduct for Research</i> (Regulation R 17.1.R8)</p> <ul style="list-style-type: none"> standard conflict of interest provisions 	<p><i>Policy on Conflict of Interest; Academic Staff</i> to clarify issues regarding use of NIM to compete with the University and guidelines for determining potential conflicts with respect to use of NIM outside of the University</p>



University of Toronto

OFFICE OF THE VICE-PRESIDENT - RESEARCH AND INTERNATIONAL RELATIONS

April 10, 2002

MEMORANDUM

TO: Committee on Academic Policy and Programs

FROM: Heather Munroe-Blum

RE: Amendment to the Inventions Policy

Background

In 1990, the Governing Council passed a new *Inventions Policy*. Included in that Policy was a definition of "Invention" that referred to several categories of software described in the *Policy on Computer Software* (1988). If the Governing Council replaces the *Policy on Computer Software* with a new *Copyright Policy*, the definition of "Invention" will need to be amended in order to reflect that change.

In addition, if the Governing Council repeals the *Policy on Copyright and Other Proprietary Rights*, it would be prudent to ensure that some of the "other proprietary rights" covered by that document continue to be subject to University policy. These "other proprietary rights" include research data and research "tools," such as cell lines. While they are not, generally speaking, commercially valuable by themselves, they may be valuable in combination with inventions. Even if they are not, it is important that the University have the ability to ensure that they are preserved and made available for research purposes.

New Definition of Invention

The proposed amended definition of "Invention" is presented on the attached sheet, along side the current definition. There are two main changes:

- Reference to software that "falls within Category 1(a) and Category 3 of the University's *Computer Software Policy*" is replaced with a reference to software "excluded from the application of the University's *Copyright Policy*." Under the latter Policy, software that is non-instructional in purpose is excluded and directed to be under the *Inventions Policy*.

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- Specific mention of “research data or research tool” is included in the definition. These items were previously covered by the *Policy on Copyright and Other Proprietary Rights*, under which the University could claim ownership. The practical effect of putting them under the *Inventions Policy* would be to make them jointly owned by the University and their creators. If commercialization was envisaged, they would be disclosed and assigned under the *Inventions Policy*. If not assigned, the University, as co-owner, would have the right to ensure that they were preserved and made available for research purposes.

The overall effect of the amended definition is to make clearer what is, and what is not, an Invention under the University’s policy.

Recommendation

That the Committee recommends to the Academic Board that the definition of “Invention” in the *Inventions Policy* be amended as set out of the attached sheet, and that all other provisions of the *Inventions Policy* remain in force.

att.

Existing Definition	Proposed Definition
<p>Invention – means "any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter" (s. 2, <i>Patent Act</i>, R.S.C. 1985, c. P-4) and includes related computer software, know-how and new life forms. For the purposes of this policy, the term Invention applies to Inventions, whether or not they are patentable, to computer software that falls within Category 1(b) and Category 3 of the University's <i>Computer Software Policy</i>, to trademarks relating to those Inventions and computer software and to any like proprietary right not covered by the University's <i>Copyright Policy</i>. This policy does not apply to Inventions and computer software (and related trademarks) created in the course of demonstrably private research unrelated to the Inventor's University functions or in the course of consulting activities to outside bodies, when such activities do not involve any substantial use of University facilities.</p>	<p>Invention – means any:</p> <ul style="list-style-type: none"> (a) "new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter" [<i>Patent Act</i>, R.S.C. 1985, c. P-4, s. 2], whether or not patentable; (b) computer software pursuant to section 2.6 of the University's <i>Copyright Policy</i>; (c) research data or research tool, including, without limitation, biological material and other tangible research material; and, (d) proprietary information, know-how or trademark related to any of the foregoing items; <p>and includes all legal and equitable rights relating to such property. This policy does not apply to Inventions created in the course of demonstrably private research unrelated to the Inventor's University functions or in the course of private consulting activities to outside bodies, when such activities do not involve any substantial use of University facilities.</p>