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# COPYRIGHTS IN FACULTY-CREATED WORKS: HOW LICENSING CAN SOLVE THE ACADEMIC WORK-FOR-HIRE DILEMMA

Glenda A. Gertz

*Abstract:* Many copyrightable works of university faculty members may be works-for-hire as defined under current U.S. copyright laws. Copyrights in works-for-hire are treated differently than copyrights in other works with respect to ownership, duration, termination rights, and requirements for transfer. Ambiguity over whether a specific faculty-created work is a work-for-hire creates legal uncertainties and potential future litigation about the initial ownership of the copyright, length of the copyright term, and termination rights which could impact all future transfers and licensing. Many universities have attempted to define ownership of faculty-created works through university policies. These policies are ineffective to alter the presumption of university ownership of works-for-hire, as they do not meet the requirements of U.S. copyright laws for a transfer of such ownership. This Comment argues that the best way to resolve these ambiguities is for the university to retain ownership of the copyrights in faculty-created works and provide the faculty creator with a license to the copyrighted work. Although perhaps counterintuitive, this Comment suggests that a licensing approach would actually result in greater certainty and better protection of the interests of both the faculty member and the university.

## INTRODUCTION

University faculty members engage in a wide variety of activities, including teaching, research, and writing. Some of these activities result in the creation of copyrightable materials. As technology has become more fully integrated into the university environment, the variety of copyrightable faculty-created works has increased.<sup>1</sup> In the United States, copyright protection is given to “original works of authorship fixed in any tangible medium of expression.”<sup>2</sup> In a university setting, original works of authorship might include software, websites, data compilations, technical manuals, textbooks, articles, visual artworks, fiction and non-fiction writings, musical works, video games, and on-line courses, which may themselves include a variety of copyrightable components such as text, video, sound, and pictures. There has been some debate over the past thirty years as to whether the copyrights in such materials

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1. See Jed Scully, *The Virtual Professorship: Intellectual Property Ownership of Academic Work in a Digital Era*, 35 MCGEORGE L. REV. 227, 267 (2004).

2. 17 U.S.C. § 102(a) (2006).

belong to the faculty member who created them or to the university as an employer.<sup>3</sup> During this time period, it has become common practice for universities to take ownership of patents on faculty inventions, and in some cases these patents have benefitted the universities financially through licensing or other commercialization strategies.<sup>4</sup> Some commenters of the past decade have speculated that universities may attempt to assert ownership over copyrights as well, particularly when the materials involved have significant potential commercial value, such as distance-learning curricula.<sup>5</sup> Many universities have, in fact, adopted formal copyright policies that address ownership of faculty-created works.<sup>6</sup> Despite the commenters' fears, however, most university policies surveyed express a desire for faculty members to own the copyrights to "traditional scholarly works."<sup>7</sup>

The question of how to accomplish that stated goal is more difficult than it might first appear. Some commenters believe that the copyrights in many faculty works, even traditional scholarly works, belong to the university as a work-for-hire.<sup>8</sup> Whether a work was created as a

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3. See Laura G. Lape, *Ownership of Copyrightable Works of University Professors: The Interplay Between the Copyright Act and University Copyright Policies*, 37 VILL. L. REV. 223 (1992); Elizabeth Townsend, *Legal and Policy Responses to the Disappearing "Teacher Exception," or Copyright Ownership in the 21st Century University*, 4 MINN. INTELL. PROP. REV. 209 (2003); Nathaniel S. Strauss, *Anything But Academic: How Copyright's Work-For-Hire Doctrine Affects Professors, Graduate Students, and K-12 Teachers in the Information Age*, 18 RICH. J.L. & TECH. 4 (2011); Robert Ware III, *Copyrights, Professors and Public Universities*, 16 EDUC. & L.J. 251 (2007).

4. See Townsend, *supra* note 3, at 212–20 (discussing commercialization strategies at universities, including commercialization of patents); see also Verdict Form, *Carnegie Mellon Univ. v. Marvell Tech. Grp., Ltd.*, No. 09-290, 2012 WL 6686094, at \*6 (W.D. Pa. Dec. 26, 2012) (awarding the University over \$1 billion in a patent infringement case).

5. See Ashley Packard, *Copyright or Copy Wrong: An Analysis of University Claims to Faculty Work*, 7 COMM. L. & POL'Y 275 (2002); Ware III, *supra* note 3.

6. See Lape, *supra* note 3 and Packard, *supra* note 5 for surveys of university copyright policies at two different points in time.

7. See Packard, *supra* note 5, at 306 (stating that, as of 2002, 71% of universities surveyed disclaim ownership of "traditional scholarly work"). The preambles of many university policies express general support for faculty ownership of scholarly works. See *infra* Part II.B (regarding the definition of "traditional scholarly works"); see, e.g., University of California Policy on Copyright Ownership, <http://policy.ucop.edu/doc/2100003/CopyrightOwnership> (last visited Sept. 26, 2013) ("This Policy is intended to embody the spirit of academic tradition, which provides copyright ownership to faculty for their scholarly and aesthetic copyrighted works."); University of Washington Patent, Invention, and Copyright Policy, <http://www.washington.edu/admin/rules/policies/PO/EO36.html> (last visited May 6, 2013) ("[T]he University acknowledges the right of faculty, staff, and students to prepare and publish, through individual initiative, articles, pamphlets, and books that are copyrighted by the authors or their publishers.").

8. See Alissa Centivany, *Paper Tigers: Rethinking the Relationship Between Copyright and*

work-for-hire has a dramatic impact on the treatment of the work under U.S. copyright law. The copyrights in a work-for-hire are presumed to belong to the employer rather than the creative employee.<sup>9</sup> The duration of the copyright in a work-for-hire is different from other works,<sup>10</sup> and a work-for-hire does not carry termination rights for licenses.<sup>11</sup> A work-for-hire also has special requirements for transfer of copyrights, requiring an express writing signed by both the employer and the employee.<sup>12</sup> A university copyright policy generally does not bear the signature of both parties and is therefore likely inadequate to alter or transfer ownership.<sup>13</sup> Because the copyrights in some scholarly works may belong to the university rather than the faculty member, there is a risk that assignments and licenses executed by the faculty member are ineffective.<sup>14</sup>

This Comment will argue that the best solution to this problem is not for universities to disclaim copyrights or assign copyrights to faculty members, but rather for universities to retain ownership and provide faculty members with licenses to the copyrights in the works that they create. By changing their approach from fighting against the work-for-hire presumption of employer ownership to one which accepts and works within that presumption, universities and faculty members will clarify the legal status of copyright ownership, transfers, and licenses, and can ensure that the rights in faculty-created works are appropriately distributed.

This Comment begins with a review of the relevant copyright law in Part I. This discussion includes the early development of the work-for-hire doctrine and the teacher exception, the changes to the law as a result of the Copyright Act of 1979, the current trend of applying agency law concepts to define terms such as “employee” and “scope of employment,” and the statutory requirements for altering copyright ownership. Part II discusses the application of copyright law to faculty-created works and the impact of university copyright policies. Part III describes the problems that exist within the current model of

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*Scholarly Publishing*, 17 MICH. TELECOMM. & TECH. L. REV. 385 (2011); Todd F. Simon, *Faculty Writings: Are They “Works Made For Hire” Under the 1976 Copyright Act?*, 9 J.C. & U.L. 485 (1983).

9. 17 U.S.C. §§ 101, 201(b) (2006).

10. *Id.* § 302.

11. *Id.* § 203.

12. *Id.* § 201(b).

13. *See infra* Part III.B.

14. *See infra* Part II.B.

copyright ownership, under which many university copyright policies attempt to define ownership of various categories of works. Part IV offers an alternative model, under which universities would retain copyright ownership of faculty works, but provide faculty members with licenses to those works.

## I. THE DEVELOPMENT OF THE WORK-FOR-HIRE DOCTRINE AND THE TEACHER EXCEPTION

### A. *Early Copyright Law Included a Work-For-Hire Doctrine*

The United States Constitution authorizes Congress to pass legislation protecting authors' rights in their works. Article I, Section 8 gives Congress the power "[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."<sup>15</sup> In 1790, the first U.S. copyright law was enacted.<sup>16</sup> The Copyright Act of 1790 gave authors copyright protection for "maps, charts and books" for a fourteen-year term, along with an additional fourteen years if renewed.<sup>17</sup>

Although the Copyright Act of 1790 did not specifically address ownership of works created by employees, at least one court recognized the existence of a work-for-hire doctrine in 1899.<sup>18</sup> In *Colliery Engineer Co. v. United Correspondence Schools Co.*,<sup>19</sup> the court stated that an employer was entitled to copyright the literary products of a salaried employee made in the course of his employment and the employee "would have no more right than any stranger to copy or reproduce [the work]."<sup>20</sup> In 1903, the United States Supreme Court cited *Colliery Engineer* in support of the proposition that designs "having been produced by persons employed and paid by the [employers] in their establishment to make those very things" are owned by the employers.<sup>21</sup> In other words, the employer was considered the "author" of a copyrightable work created by an employee hired for the purpose of creating such a work.

Congress revised the copyright laws in 1909, in part to correct

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15. U.S. CONST. art. I, § 8.

16. Copyright Act of 1790.

17. *Id.* § I.

18. *Colliery Eng'r Co. v. United Correspondence Schs. Co.*, 94 F. 152 (S.D.N.Y. 1899).

19. *Id.*

20. *Id.* at 153.

21. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 248 (1903).

inconsistencies that had become apparent over time and in part to accommodate new technologies, such as the player piano and the phonograph.<sup>22</sup> The Copyright Act of 1909 made a number of changes to the 1790 Act, including broadening the subject matter that could be copyrighted to include “all the writings of an author”<sup>23</sup> and doubling the length of both the initial term and the renewal term.<sup>24</sup> The 1909 Act explicitly stated, “the word ‘author’ shall include an employer in the case of works made for hire.”<sup>25</sup> However, the Act did not define either “employer” or “works made for hire.”<sup>26</sup>

Courts interpreted the “works made for hire” language of the 1909 Act as being consistent with the prior case law. In *Brattleboro Publishing Co. v. Winmill Publishing Corp.*,<sup>27</sup> the Second Circuit stated, “[t]his so-called ‘works for hire’ doctrine was recognized earlier by the Supreme Court . . . and was later codified in the Copyright Act.”<sup>28</sup> The court went on to describe the work-for-hire doctrine as applying “whenever an employee’s work is produced at the instance and expense of his employer. In such circumstances, the employer has been presumed to have the copyright.”<sup>29</sup> The “instance and expense” test continued to be used to determine when a copyrightable work fell within the category of work-for-hire under the 1909 Act. For example, the writings of a religious leader were held not to be works-for-hire because the employer, a church founded by the religious leader, was not the motivating factor in the creation of the works.<sup>30</sup> On the other hand, President Eisenhower’s book *Crusade in Europe* was held to be a work-for-hire because the publisher persuaded President Eisenhower to write the book and paid for his support staff and illustrations.<sup>31</sup>

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22. See WILLIAM F. PATRY, PATRY ON COPYRIGHT § 1:45 (2013).

23. Act of Mar. 4, 1909, ch. 320, 35 Stat. 1075, 1076 (repealed 1976).

24. *Id.* at 1080.

25. *Id.* at 1087–88.

26. *Id.*

27. 369 F.2d 565 (2d Cir. 1966).

28. *Id.* at 567.

29. *Id.*

30. See *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 206 F.3d 1322 (9th Cir. 2000) (considering copyright ownership of works governed by the Copyright Act of 1909).

31. See *Twentieth Century Fox Film Corp. v. Entm’t Distrib.*, 429 F.3d 869 (9th Cir. 2005) (considering copyright ownership of works governed by the Copyright Act of 1909).

*B. A Teacher Exception Was Established Within the Work-For-Hire Doctrine*

Although the “instance and expense” test creates quite a broad definition of work-for-hire, a teacher’s non-instructional work at a school or university might not fall into this category. In 1929, the Supreme Court of the District of Columbia held in *Sherrill v. Grieves*<sup>32</sup> that a military instructor owned the copyright in a book he wrote covering the same subjects that he taught.<sup>33</sup> Clarence Sherrill taught at a school for army officers.<sup>34</sup> On his own time and initiative, Sherrill wrote a text on “military sketching, map reading and surveying.”<sup>35</sup> He allowed the school administration to print a pamphlet for students containing an excerpt from his copyrighted but, as yet, unpublished book.<sup>36</sup> When Sherrill sued a third party for publishing an infringing work, the defense argued that the material in the pamphlet could not be copyrighted, as it was the property of Sherrill’s employer, the U.S. Government.<sup>37</sup> Under the Copyright Act of 1909, U.S. Government publications were not to be copyrighted, but were to be placed in the public domain.<sup>38</sup> Although Sherrill’s work was not created at the direct instance or expense of his employer, the defendants argued that the work contained the same information that Sherrill was employed to teach and, therefore, should be considered to be within his duties as an instructor.<sup>39</sup> The court rejected this argument, stating that “[t]he court does not know of any authority holding that such a professor is obliged to reduce his lectures to writing or if he does so that they become the property of the institution employing him.”<sup>40</sup> The court then noted that military officers did write books that were both copyrighted and used for instruction in military academies.<sup>41</sup> This decision, with its reliance on custom and lack of judicial precedent, is commonly cited as the origin of the “teacher exception” to the work-for-hire doctrine.<sup>42</sup>

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32. 57 Wash. L. Rep. 286 (D.C. 1929).

33. *Id.* at 291.

34. *Id.* at 289.

35. *Id.* at 290.

36. *Id.*

37. *Id.* at 287.

38. See Act of Mar. 4, 1909, ch. 320, 35 Stat. 1075, 1077 (repealed 1976); *Sherrill*, 57 Wash. L. Rep. at 290.

39. *Sherrill*, 57 Wash. L. Rep. at 290.

40. *Id.*

41. *Id.*

42. See *Williams v. Weisser*, 78 Cal. Rptr. 542, 548–49 (Cal. Ct. App. 1969); Strauss, *supra* note

Very few cases since *Sherrill* can be cited in support of the teacher exception. In the opinion of Judge Posner, as expressed in *Hays v. Sony Corp. of America*,<sup>43</sup> this lack of precedent exists because “virtually no one questioned that the academic author was entitled to copyright his writings.”<sup>44</sup> In addition to *Sherrill*, the case of *Williams v. Weisser*<sup>45</sup> is often used to support the existence of a teacher exception under the 1909 Copyright Act.<sup>46</sup> The issue in *Williams* was whether a person selling his class notes after attending a lecture was infringing a copyright belonging to the professor or to the university.<sup>47</sup> Because the lecture was not in any fixed format, such as written text or recorded sound, it was not protected by the federal Copyright Act.<sup>48</sup> The only copyright in the lecture was a common-law copyright under the laws of the State of California,<sup>49</sup> which the court held belonged to the professor rather than the university.<sup>50</sup> Although the reasoning used by the court was similar to that used by the *Sherrill* court, including custom, lack of precedent, and “the undesirable consequences which would follow from a holding that a university owns the copyright to the lectures of its professors,”<sup>51</sup> the case did not address federal copyright law and therefore has limited precedential value with respect to the existence of a federal teacher exception.

C. *The Copyright Act of 1976 Redefined Work-For-Hire Using Agency Law Concepts*

In 1976, Congress passed another major revision to the federal copyright laws intended, in part, to conform U.S. copyright laws to the international copyright provisions of the Berne Convention treaty.<sup>52</sup> This

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3, at 12; Ware III, *supra* note 3, at 256.

43. 847 F.2d 412 (7th Cir. 1988).

44. *Id.* at 416.

45. 78 Cal. Rptr. at 542.

46. *See* Strauss, *supra* note 3, at 14; Ware III, *supra* note 3, at 256–57.

47. *See Williams*, 78 Cal. Rptr. at 542.

48. *See* Act of Mar. 4, 1909, ch. 320, 35 Stat. 1075, 1077–78 (repealed 1976) (stating that copyright is secured by affixing the notice of copyright to each copy published or by depositing a complete copy of a work with the copyright office, thereby implying that the work must exist in some physical, fixed format). Note that the professor’s own written notes, used in preparing the lecture, could have been protected by federal copyright. The distinction here is that it was not a copy of the professor’s notes which was sold, but rather the notes which were written by the seller upon hearing the oral lecture. *Williams*, 78 Cal. Rptr. at 543.

49. *Williams*, 78 Cal. Rptr. at 543.

50. *Id.* at 550.

51. *Id.* at 546.

52. *See* PATRY ON COPYRIGHT, *supra* note 22, § 1:71 (regarding the history of the 1979



revision included language that expanded on the work-for-hire doctrine. A “work made for hire” was explicitly defined as:

- (1) a work prepared by an employee within the scope of his or her employment; or
- (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.<sup>53</sup>

For works that fall within the category of “work made for hire,” as defined above, “the employer . . . is considered the author . . . and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.”<sup>54</sup>

Despite Congress’s attempt to clarify the work-for-hire doctrine,<sup>55</sup> the courts were again called upon to define the limits of the doctrine. Three distinct interpretations developed in the federal circuit courts, each using a different test to decide when a work was created by an employee and thus fell into category (1) of the definition.<sup>56</sup> The United States Supreme Court addressed this confusion with its decision in *Community for Creative Non-Violence v. Reid*.<sup>57</sup> *Reid* involved a dispute over ownership of the copyright in a statue commissioned by a non-profit group.<sup>58</sup> The dispositive question in *Reid* was whether the sculptor was an employee of the non-profit group.<sup>59</sup> As the only decision to date in which the Supreme Court has interpreted the work-for-hire provisions of the 1976 statute, *Reid* has been the subject of many commentaries.<sup>60</sup> The relevant

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Copyright Act); *id.* § 1:89 (regarding the legislative history of the Berne Implementation Act of 1988).

53. 17 U.S.C. § 101 (2006).

54. *Id.* § 201(b).

55. See Townsend, *supra* note 3, at 227–34 (discussing the legislative history of the Copyright Act of 1976).

56. See, e.g., *Dumas v. Gommerman*, 865 F.2d 1093, 1102 (9th Cir. 1989) (using whether one party was a formal, salaried employee of the other); *Easter Seal Soc’y v. Playboy Enters.*, 815 F.2d 323, 335 (5th Cir. 1987) (using the rules of agency law); *Aldon Accessories Ltd. v. Spiegel, Inc.*, 738 F.2d 548, 551 (2d Cir. 1984) (using the instance and expense test developed prior to 1976).

57. 490 U.S. 730 (1989).

58. *Id.* at 733.

59. *Id.* at 738.

60. See Katherine B. Marik, *Community for Creative Non-Violence v. Reid: New Certainty for*

point for purposes of this Comment is that the Court used the general common law of agency to interpret the term “employee” as used in § 101.<sup>61</sup> Because the Court held that Mr. Reid was not an employee as defined by agency law,<sup>62</sup> the question of whether the work was made within the scope of his employment did not arise in this case. It has been suggested, however, that it would be consistent to apply agency law to the interpretation of scope of employment as well,<sup>63</sup> especially considering that, as noted by the Fifth Circuit, “‘scope of employment’ is virtually a term of art in agency law.”<sup>64</sup>

*D. The Teacher Exception Did Not Survive the 1976 Revision of Copyright Law*

The Copyright Act of 1976 was noticeably silent with respect to the teacher exception. One commenter who reviewed the history of the teacher exception in 2003 included an extensive discussion of the legislative history of the 1976 Act.<sup>65</sup> That commenter observed that the teacher exception was never mentioned during the drafting of or debate regarding the 1976 Act.<sup>66</sup> A number of commenters have argued that the 1976 Act abolished the judicially created teacher exception.<sup>67</sup>

Since 1976, courts have had few opportunities to consider the existence of a teacher exception. Two cases, *Weinstein v. University of Illinois*<sup>68</sup> and *Hays v. Sony Corp. of America*,<sup>69</sup> regarding faculty copyright ownership arose in the Seventh Circuit in the 1980s, but neither case was decided on the basis of a judicially created teacher exception due to the precise questions on appeal.<sup>70</sup> In *Weinstein*, one of

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*the Copyright Work for Hire Doctrine*, 18 PEPP. L. REV. 589 (1991); Nancy Barbara Morris, *Community for Creative Non-Violence v. Reid: An Incomplete Resolution of the Work for Hire Controversy*, 11 PACE L. REV. 167 (1990); Jennifer Sutherland Lubinski, *Comment, The Work for Hire Doctrine Under Community for Creative Non-Violence v. Reid: An Artist's Fair Weather Friend*, 46 CATH. U.L. REV. 119 (1996).

61. *Reid*, 490 U.S. at 750–51.

62. *Id.* at 752.

63. *See infra* Part II.A.

64. *Easter Seal Soc'y v. Playboy Enters.*, 815 F.2d 323, 335 (5th Cir. 1987).

65. *See Townsend, supra* note 3, at 227–34.

66. *Id.* at 234.

67. *See Leonard D. DuBoff, An Academic's Copyright: Publish and Perish*, 32 J. COPYRIGHT SOC'Y U.S.A. 17 (1984); Simon, *supra* note 8.

68. 811 F.2d 1091 (7th Cir. 1987).

69. 847 F.2d 412 (7th Cir. 1988).

70. *Weinstein*, 811 F.2d 1091; *Hays*, 847 F.2d 412.

several authors of a scholarly article sued his university when the names of the authors were re-ordered prior to publication.<sup>71</sup> In deciding ownership of the copyright in the article, the Seventh Circuit considered the Copyright Act of 1976, the University's internal copyright policy, and the existence of academic traditions supporting faculty ownership of copyrights, but it did not explicitly name or rely on the teacher exception doctrine.<sup>72</sup> Judge Easterbrook's opinion argues that the copyright belonged to the authors,<sup>73</sup> but as the outcome of the case would have been the same whether the article was a work-for-hire or not, this argument is dicta.<sup>74</sup>

Shortly after the *Weinstein* case was decided, the Seventh Circuit heard *Hays*.<sup>75</sup> This case concerned copyright ownership of a word-processing manual produced by high school teachers.<sup>76</sup> The plaintiffs originally sued under common-law copyright, which was abolished by the Copyright Act of 1976, and therefore inapplicable to the work in question.<sup>77</sup> The lower court dismissed the case for failure to state a claim and sanctioned the plaintiffs' attorney for his conduct in pursuing the suit.<sup>78</sup> On appeal, the Seventh Circuit upheld the sanctions, which were primarily based on failure to pursue the suit effectively.<sup>79</sup> Despite the fact that the sanctions were not dependent on whether the complaint was frivolous,<sup>80</sup> the court considered in dicta whether there might have been a genuine claim for infringement of statutory copyright, even if there was no valid common-law claim.<sup>81</sup> The answer to that question hinged on whether the teachers owned the copyright in the work, or if it was owned by the school district as a work-for-hire.<sup>82</sup> In his opinion, Judge Posner conducted a thorough review of the work-for-hire doctrine and included policy arguments in support of a teacher exception, but stated that "it is widely believed that the 1976 Act

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71. 811 F.2d at 1092-93.

72. *Id.* at 1094-96.

73. *Id.*

74. *Id.* at 1095.

75. 847 F.2d 412.

76. *Id.* at 413.

77. *Id.* at 415.

78. *Id.* at 413.

79. *Id.* at 417-19.

80. *Id.* at 417.

81. *Id.* at 416.

82. *Id.*

abolished the teacher exception.”<sup>83</sup>

One of the most thorough recent analyses of the teacher exception is given in *Molinelli-Freytes v. University of Puerto Rico (Molinelli-Freytes I)*.<sup>84</sup> In this case, the plaintiffs were professors at the University of Puerto Rico who developed a proposal for a new graduate program.<sup>85</sup> By the time the University approved and began to implement the proposal, the parties appeared to have had a falling out, resulting in the plaintiffs’ suit against the University for copyright infringement over unauthorized use of the proposal manuscript.<sup>86</sup> The plaintiffs filed a motion for a preliminary injunction, basing their argument on the existence of a teacher exception to the work-for-hire doctrine.<sup>87</sup> The question of whether a teacher exception exists was therefore squarely before the court. Judge Dominguez’s opinion provided a thorough review of the history and policy of the work-for-hire doctrine and the teacher exception.<sup>88</sup> On the basis of Congress’s silence with respect to the teacher exception in the legislative history of the Copyright Act of 1976, the apparent abandonment of the teacher exception by courts following the 1976 Act, and the Supreme Court’s application of agency law in *Reid*, the court held that the teacher exception no longer exists.<sup>89</sup>

## II. THE WORK-FOR-HIRE STATUS OF FACULTY-CREATED WORKS AND THE IMPACT OF UNIVERSITY COPYRIGHT POLICIES

### A. *Some Faculty-Created Works Fall Within the Faculty Member’s Scope of Employment*

If the teacher exception has, in fact, been abolished, then the critical question for ownership of faculty-created works becomes whether the creation of the copyrighted work was within the faculty member’s scope

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83. *Id.*

84. 792 F. Supp. 2d 164 (D.P.R. 2010); *see also* Pittsburg State Univ./Kan. Nat’l Educ. Ass’n v. Kan. Bd. of Regents/Pittsburg State Univ., 122 P.3d 336, 345–47 (Kan. 2005) (holding that faculty works are not automatically works-for-hire merely because the faculty are employees, nor are faculty works automatically subject to a teacher exception, but that the principles of agency law must be applied on a case-by-case basis to determine the work-for-hire status of a faculty work).

85. *Molinelli-Freytes I*, 792 F. Supp. 2d at 164.

86. *Id.* at 165.

87. *Id.*

88. *Id.* at 166–72.

89. *Id.*

of employment.<sup>90</sup> Works created by faculty members within the scope of their employment would belong to the university as works-for-hire.<sup>91</sup> Courts have applied the agency law definition of “scope of employment” in the context of copyrighted computer software,<sup>92</sup> thus extending the Supreme Court’s use of agency law in *Reid*.<sup>93</sup> The Second Circuit applied the same reasoning to the academic world in *Shaul v. Cherry Valley-Springfield Central School District*,<sup>94</sup> which concerned the copyright ownership of tests and homework problems created by a high school teacher.<sup>95</sup> The court in *Shaul* considered the elements of “scope of employment” found in the Restatement (Second) of Agency:<sup>96</sup>

- (1) Conduct of a servant is within the scope of employment if, but only if:
  - (a) it is of the kind he is employed to perform;
  - (b) it occurs substantially within the authorized time and space limits;
  - (c) it is actuated, at least in part, by a purpose to serve the master. . . .<sup>97</sup>

The court found that Shaul’s teaching materials met all three elements, despite the fact that they were written at least partly outside the regular school day, stating that:

It is clear that preparing materials for class was the kind of work that he was employed to perform as a teacher (satisfying the first prong) and that Shaul was motivated to spend the time to prepare materials for class in order to fulfill his duties as a teacher (satisfying the third prong), regardless of his purported desire to publish the materials. With respect to the second prong, . . . the very nature of a teacher’s duties involves a substantial amount of time outside of class devoted to preparing

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90. See 17 U.S.C. § 101 (2006).

91. See *id.*

92. See, e.g., *Miller v. CP Chems., Inc.*, 808 F. Supp. 1238 (D.S.C. 1992) (using the Restatement (Second) of Agency to determine that a software program written by an employee on his own time, but for the purpose of allowing him to perform his job duties more efficiently and with fewer errors, was a work-for-hire); *Roeslin v. District of Columbia*, 921 F. Supp. 793 (D.D.C. 1995) (using the Restatement (Second) of Agency to determine that a software program written by an employee on his own time for the purpose of creating job opportunities for himself and simply to prove that it could be done was not a work-for-hire).

93. See *supra* Part I.C.

94. *Shaul v. Cherry Valley-Springfield Cent. Sch. Dist.*, 363 F.3d 177 (2d Cir. 2004).

95. *Id.* at 184.

96. *Id.* at 186.

97. RESTATEMENT (SECOND) OF AGENCY § 228 (1958).

lessons, problem sets, and quizzes and tests — which is clearly within the scope of his employment.<sup>98</sup>

The court declined to express an opinion on the existence of a teacher exception, stating that the academic tradition cited to support a teacher exception in cases like *Weinstein*<sup>99</sup> does not include “teaching materials that were never explicitly prepared for publication.”<sup>100</sup>

Determining the kinds of work that fall within a faculty member’s scope of employment was also a crucial question in a second opinion in the *Molinelli-Freytes* case (*Molinelli-Freytes II*).<sup>101</sup> The *Molinelli-Freytes I* opinion discussed above dealt only with the plaintiffs’ argument for a teacher exception.<sup>102</sup> Following the finding that no such exception exists, the University of Puerto Rico moved for summary judgment on the basis that the University owned the copyright in the proposal.<sup>103</sup> The University argued that creation of the proposal was within the plaintiffs’ scope of employment and the proposal was therefore a work-for-hire.<sup>104</sup> In an unpublished opinion, Magistrate Judge McGiverin considered each of the relevant elements of agency law.<sup>105</sup> First, the court found that the graduate program proposal was the kind of work plaintiffs were employed to perform, on the basis of plaintiffs’ status as University employees, their job descriptions, and an assessment of the regular duties of University faculty.<sup>106</sup> Second, the court found that the work was created within the authorized time and space, even though plaintiffs had done much of the work at home, because the University gave faculty the flexibility to work at home, and on evenings and weekends, in the performance of their jobs.<sup>107</sup> Finally, the court found that plaintiffs were motivated by a desire to further the interests of the university in the creation of the proposal, as they “designed it with the intent of submitting it to the . . . approval process, and . . . actually did so.”<sup>108</sup> Having found all three elements satisfied, the

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98. *Shaul*, 363 F.3d at 186.

99. 811 F.2d 1091, 1094 (7th Cir. 1987).

100. *Shaul*, 363 F.3d at 186.

101. See *Molinelli-Freytes v. Univ. of P.R. (Molinelli-Freytes II)*, Civil No. 09-1655 (DRD/BJM), 2012 WL 4665638, \*11–13 (D.P.R. Feb. 15, 2012).

102. *Molinelli-Freytes I*, 792 F. Supp. 2d 164 (D.P.R. 2010); see *supra* Part I.D.

103. *Molinelli-Freytes II*, 2012 WL 4665638, at \*1.

104. *Id.* at \*11.

105. *Id.* at \*12.

106. *Id.*

107. *Id.*

108. *Id.* at \*13.

court held that the proposal was, in fact, written within the scope of plaintiffs' employment.<sup>109</sup>

*B. Universities Have Attempted to Define Copyright Ownership Through the Use of Internal Copyright Policies*

In an effort to address the uncertainty regarding whether a teacher exception survived following the Copyright Act of 1976, an increasing number of universities have adopted institutional policies regarding copyright ownership.<sup>110</sup> Two prior studies have surveyed university policies. In 1992, Laura Lape surveyed the seventy universities classified as "Research Universities I" by the Carnegie Foundation for the Advancement of Teaching.<sup>111</sup> In 2002, Ashley Packard surveyed the copyright policies of the same seventy universities.<sup>112</sup> The Carnegie Foundation updates its classifications every five years, and the most recent version uses "Research Universities – Very High Research Activity" as the equivalent class to the one used in the 1992 survey.<sup>113</sup> This class contains 108 universities, the copyright policies of which were surveyed for the present Comment.<sup>114</sup> These policies appear to take one of two basic approaches.<sup>115</sup> The first approach, used by approximately one-third of the policies, is to generally claim ownership of faculty works, with exceptions for specific kinds of works in which university ownership is disclaimed.<sup>116</sup> The second approach, used by

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109. *Id.*

110. *See* Lape, *supra* note 3, at 252 (surveying the copyright policies of large research universities and finding that fifty-four out of seventy universities surveyed had such a policy in place); Packard, *supra* note 5, at 294 (surveying the same universities and finding that sixty-six had such a policy in place ten years after the initial survey).

111. *See* Lape, *supra* note 3, at 252.

112. *See* Packard, *supra* note 5, at 294.

113. *See* Carnegie Foundation, *Classification Descriptions*, CARNEGIE FOUND. FOR THE ADVANCEMENT OF TEACHING, <http://classifications.carnegiefoundation.org/descriptions/> (last visited Aug. 17, 2013) for a description of the classifications used for the Foundation's 2010 classification.

114. *See* Carnegie Foundation, *Basic Classification Descriptions*, CARNEGIE FOUND. FOR THE ADVANCEMENT OF TEACHING, <http://classifications.carnegiefoundation.org/descriptions/basic.php> (follow "RU/VH" hyperlink) for a list of universities in the Very High Research Activity class as of the Foundation's 2010 classification. A compilation of the university copyright policies reviewed for this Comment is available at <http://www.law.washington.edu/wlr/issues/featuredarticles/dec13.aspx>.

115. These are very broad categories and while the distinction is clear for some policies, others are more difficult to categorize. The statistics that follow are based on this author's interpretation of the policy language.

116. *See, e.g.*, Univ. of S. Cal., University of Southern California Intellectual Property Policy

approximately two-thirds of the policies, is to generally disclaim ownership of faculty works, with exceptions for specific kinds of works in which university ownership is claimed.<sup>117</sup>

Both groups of policies typically disclaim ownership of “traditional scholarly works,” which is variously defined, but generally includes textbooks, popular or scholarly non-fiction, novels, poems, musical works, dramatic works, and works of art.<sup>118</sup> Some policies include a statement explaining the university’s motivation in disclaiming these works. The reasons given commonly include academic tradition, preservation of faculty members’ academic freedom, and a desire to encourage production and dissemination of scholarly works.<sup>119</sup>

Most policies of both kinds typically claim ownership of works created by employees specifically assigned to create such works and works created with significant or unusual use of university resources.<sup>120</sup>

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§ 2.1 (Apr. 3, 2001), *available at* [http://policies.usc.edu/p4acad\\_stud/intellectual\\_property.pdf](http://policies.usc.edu/p4acad_stud/intellectual_property.pdf); N.Y. Univ., Statement of Policy on Intellectual Property §§ XIA(1), XIB (July 1, 2012), *available at* <http://www.nyu.edu/content/dam/nyu/compliance/documents/IPPolicyFINAL.pdf>.

117. *See, e.g.*, Brandeis Univ., Intellectual Property Policy § III.A. (Feb. 2004), *available at* <http://www.brandeis.edu/ora/policies/intelproppolicy.html> (last visited Oct. 4, 2013); Brown Univ., Brown University Patent and Invention Policy and Copyright Policy § 2.2 (May 27, 2005), *available at* <http://research.brown.edu/pdf/newpatent%20policy.pdf>.

118. *See, e.g.*, Univ. of Pittsburgh, University of Pittsburgh Policy (Nov. 2, 2002): Copyrights § IV.C. (rev. Sept. 5, 2006), *available at* <http://www.cfo.pitt.edu/policies/policy/11/11-02-02.pdf> (defining “Scholarly Works” as “courseware, popular nonfiction, novels, textbooks, poems, musical compositions, films, webpages, lecture notes, dramatic works or other works of artistic imagination”); Univ. of Minn., Board of Regents Policy: Copyright § II.4 (Dec. 14, 2007), *available at* <http://regents.umn.edu/sites/default/files/policies/Copyright.pdf> (defining “Academic Work” as “a scholarly, pedagogical, or creative work, such as an article, book, textbook, novel, work of visual art, dramatic work, musical composition, course syllabus, test, or class notes”).

119. *See, e.g.*, Columbia Univ., Preamble to the Columbia University Copyright Policy (June 3, 2000), *available at* <http://www.columbia.edu/cu/provost/docs/copyright.html> (“Faculty at the University must be free to choose and pursue areas of study and concentration without interference, to share the results of their intellectual efforts with colleagues and students, to use and disseminate their own creations, and to take their created works with them should they leave the University.”); Dartmouth Coll., Copyright Ownership Policy (Sept. 27, 1994), *available at* <http://www.dartmouth.edu/~osp/resources/policies/dartmouth/copyright.html> (“As a matter of fundamental principle, however, the College encourages wide dissemination of scholarly work produced by members of the Dartmouth community, including copyrightable works.”); N.D. State Univ., Policy Manual: Section 190 (rev. Nov. 2010), *available at* <http://www.ndsu.edu/fileadmin/policy/190.pdf> (“The primary purposes of this policy are to encourage and promote research and scholarship based on the traditional principles of the academic profession.”).

120. *See, e.g.*, Univ. of Va., Policy: Ownership Rights in Copyrightable Material (Apr. 1, 2004), *available at* <https://policy.itc.virginia.edu/policy/policydisplay?id=%27RES-001> (defining “significant” use of university resources as “substantial and dedicated use of University equipment, facilities, or personnel”); Univ. of Notre Dame, Intellectual Property Policy at the University of Notre Dame (Jan. 27, 2003), *available at* [http://policy.nd.edu/policy\\_files/IntellectualProperty](http://policy.nd.edu/policy_files/IntellectualProperty)



These provisions often explicitly reference the work-for-hire provisions of copyright law and some use specific assignment, significant use of university resources, or other similar factors to identify works that fall within the scope of employment.<sup>121</sup>

Two leading treatises on copyright law, *Nimmer on Copyright* and *Abrams on Copyright*, argue that these policies are not effective to alter copyright ownership of a work-for-hire.<sup>122</sup> Under 17 U.S.C. § 201(b), the initial authorship of a work-for-hire may be changed, but an express written agreement signed by both parties is required.<sup>123</sup> Nimmer points out three cases that suggest that a university copyright policy does not meet the § 201(b) requirement.<sup>124</sup> In the first case, *Manning v. Board of Trustees of Community College District No. 505*,<sup>125</sup> a university staff photographer argued that he owned the copyright in his photographs, which were works-for-hire.<sup>126</sup> The court found that a collective bargaining agreement that included a policy statement asserting that

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Policy.pdf (defining substantial use of university resources as “the utilization of University facilities, equipment, personnel (including graduate students), or other resources beyond that which is normally provided to carry out one’s assigned duties”); Univ. of Ill., Article III: Intellectual Property § 4(a)(2) (Sept. 3, 1998), *available at* <http://www.trustees.uillinois.edu/trustees/agenda/September-10-2009/009-sep-General-Rules-att.pdf> (claiming ownership of “[w]orks created as a specific requirement of employment or as an assigned University duty”); Or. State Bd. of Higher Education, Licensing, Patent, Educational, and Professional Materials Development and Copyright Policies and Procedures § 6.215(2) (Oct. 1998), *available at* [http://www.ous.edu/sites/default/files/about/polipro/files/IMD\\_2013-01.pdf](http://www.ous.edu/sites/default/files/about/polipro/files/IMD_2013-01.pdf) (claiming ownership of materials “when the individual was employed for the specific purpose of preparing or producing the material, or was specifically directed to develop the material as part of general employment duties and responsibilities”).

121. *See, e.g.*, Yale Univ., Yale University Copyright Policy § 2 (Oct. 2001), *available at* <http://www.yale.edu/ocr/pfg/policies/copyright.html> (“Under the Copyright Law, the copyright to a work created by a person in the course of his or her employment belongs to the employer rather than to the individual creator. The law provides, therefore, that works created by faculty members in the course of . . . their jobs, are the property of the University.” The policy then specifies works that fall into the course of employment, including assigned tasks, and when the University has committed substantial resources to the work.); Univ. of S.C., Intellectual Property Policy § IV.A. (rev. Apr. 26, 2005), *available at* <http://www.sc.edu/policies/acaf133.html> (“It is the policy of the University that all rights in copyright shall remain with the creator unless the work (a) is a work-for-hire (and copyright vests in the University under copyright law), (b) is supported by a direct allocation of funds through the University for the pursuit of a specific project, (c) is commissioned by the University, or (d) is otherwise subject to contractual obligations.”).

122. 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 5.03[D] (2013) [hereinafter NIMMER ON COPYRIGHT]; 1 HOWARD B. ABRAMS, THE LAW OF COPYRIGHT § 4.26 (2012).

123. 17 U.S.C. § 201(b) (2006).

124. NIMMER ON COPYRIGHT, *supra* note 122, § 5.03[D].

125. 109 F. Supp. 2d 976 (C.D. Ill. 2000).

126. *Id.* at 978.

copyrights were owned by staff members did not satisfy the § 201(b) requirement for an express writing signed by both parties.<sup>127</sup> The second case, *Rouse v. Walter & Associates, L.L.C.*,<sup>128</sup> concerns the copyright in a software program designed to rate beef cattle that was written, in part, by University of Iowa professors.<sup>129</sup> The *Rouse* court found that the plaintiffs were university employees who created the software as a work-for-hire, and that a university copyright policy contained in a faculty handbook did not satisfy the § 201(b) requirements to alter ownership.<sup>130</sup> The final case discussed is *Foraste v. Brown University*,<sup>131</sup> another university photographer copyright suit.<sup>132</sup> As in *Manning*, the court found that the photographs in question were works-for-hire and that the University's copyright policy did not alter copyright ownership, as it did not meet the § 201(b) requirements.<sup>133</sup>

Interestingly, the plaintiff in *Foraste* made an alternative argument that even if the photographs were works-for-hire and the copyrights originally vested in the university, the university's copyright policy operated to transfer the copyright back to the employee who created the work.<sup>134</sup> For works that are not works-for-hire, the 1976 Act allows the copyright to be transferred to another party with a written instrument signed only by the transferor,<sup>135</sup> rather than by both parties, as required for works-for-hire. The court was not persuaded by this argument, however, and found that an employer's transfer of a work-for-hire to the employee must comply with the § 201(b) requirements.<sup>136</sup> Allowing a work-for-hire owned by the University to be transferred to the employee under the general provisions of the Copyright Act would, according to the *Foraste* court, circumvent the work-for-hire provision and be contrary to the statutory text's plain meaning.<sup>137</sup>

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127. *Id.* at 981.

128. 513 F. Supp. 2d 1041 (S.D. Iowa 2007).

129. *Id.* at 1045–46.

130. *Id.* at 1062–64.

131. 248 F. Supp. 2d 71 (D.R.I. 2003).

132. *Id.* at 73.

133. *Id.* at 81.

134. *Id.* at 74 (The court quotes the University's copyright policy as stating, in part: "It is the University's position that, as a general premise, ownership of copyrightable property which results from performance of one's University duties and activities will belong to the author or originator.").

135. 17 U.S.C. § 204(a) (2006).

136. *Foraste*, 248 F. Supp. 2d at 81.

137. *Id.*

### III. THE CURRENT MODEL FOR FACULTY COPYRIGHT OWNERSHIP CREATES LEGAL UNCERTAINTIES

As discussed in Part II, the existence of a teacher exception is now seriously in doubt, and the work-for-hire status of a particular work is a question of law independent of the parties' traditional understanding. This creates problems for the current model for ownership of faculty-created works, which relies on either the existence of a teacher exception or the parties' ability to define what constitutes a work-for-hire. This Part will argue that the ownership of faculty-created works is ambiguous under the current model, and will discuss the possible repercussions of that ambiguity.

#### A. *Work-For-Hire Status is Determined Using a Complex, Multi-Factor Test*

The Copyright Act's work-for-hire provisions contain terms that are interpreted under the rules of agency law, as seen in *Reid* and *Shaul*.<sup>138</sup> The factors that a court considers when determining whether creation of any given copyrightable work is within an individual's scope of employment are particularly difficult to apply in the context of faculty works.<sup>139</sup> When considering whether a university faculty member's work falls within the scope of his or her employment, a court would need to decide if: (1) it is the kind of work the faculty member was employed to perform, (2) the work occurs substantially within the employer's authorized time and space limits, and (3) the work was motivated partially by a desire to further the interests of the university.<sup>140</sup>

None of these elements fall decisively one way or the other with regard to traditional scholarly works, such as textbooks and journal articles. With respect to the first element, some commenters have argued that production of scholarly works is not the kind of work that faculty members are employed to perform because the university typically does not assign a specific faculty member to write a specific article on a specific topic.<sup>141</sup> Others, however, have argued that the production of scholarly works is expected of all faculty members and is one of the

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138. *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 742–43 (1989); *Shaul v. Cherry Valley-Springfield Cent. Sch. Dist.*, 363 F.3d 177, 186 (2d Cir. 2004).

139. See Rochelle Cooper Dreyfuss, *The Creative Employee and the Copyright Act of 1976*, 54 U. CHI. L. REV. 590, 602 (1987).

140. See *Shaul*, 363 F.3d at 186; RESTATEMENT (SECOND) OF AGENCY § 228 (1958).

141. See Scully, *supra* note 1, at 253; Townsend, *supra* note 3, at 240–41.

criteria on which faculty performance is judged, suggesting that it is the kind of work they are employed to perform.<sup>142</sup> The second element is equally problematic. When universities permit their faculty members to have flexible working hours and locations, the time and space element alone cannot be used to categorize works as within or outside the scope of employment.<sup>143</sup> The third element, motivation, is fundamentally subjective. It seems likely that most scholarly works are motivated by a combination of factors, possibly including the desire to promote one's own career, the desire to promote the reputation of the university or department, and the desire to contribute to the advance of thought in the field. Agency law requires only that the motivation be *in part* to benefit the employer,<sup>144</sup> which could be plausibly argued in almost any faculty works context.

The elements of scope of employment are sufficiently complex to make it difficult to predict the outcome for any given scholarly work by a faculty member. The status of any given work as a work-for-hire is unclear, leaving the question of whether the copyright in the work belongs to the faculty member or the university unresolved.

*B. University Copyright Policies That Disclaim Ownership Are Not Effective*

University copyright policies typically disclaim ownership of traditional scholarly works.<sup>145</sup> The assumption appears to be that if the university disclaims ownership, ownership will somehow “revert” to the faculty member.<sup>146</sup> If the work in question is a work-for-hire, however, this disclaimer does not satisfy the Copyright Act's requirement for an express writing signed by both parties.<sup>147</sup> University copyright policies are broad statements of policy and procedure and do not adequately define the works to be transferred, nor are they generally signed by individual faculty members.<sup>148</sup> Reliance on a copyright policy alone, therefore, will not settle copyright ownership issues satisfactorily.

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142. See Simon, *supra* note 8, at 501–09; Strauss, *supra* note 3, at 45.

143. See *Shaul*, 363 F.3d at 186; *Molinelli-Freytes II*, No. 09-1655, 2012 WL 4665638, at \*12 (D.P.R. Feb. 15, 2012).

144. See RESTATEMENT (SECOND) OF AGENCY § 228 (1958).

145. See *supra* Part II.B.

146. See *supra* Part II.B.

147. 17 U.S.C. § 201(b) (2006); see *supra* Part II.B.

148. See Centivany, *supra* note 8, at 405–08.

*C. The Express Writing Requirement of Section 201(b) Provides No Equitable Protection for Faculty Members*

The requirement for an express, signed writing to transfer copyright ownership has been likened to the signed writing requirement of the statute of frauds.<sup>149</sup> For those types of contracts that fall under the statute of frauds, a writing must reasonably identify the subject matter, indicate that the parties have reached agreement, and state the essential terms of the agreement with reasonable certainty.<sup>150</sup> In the work-for-hire context, § 201(b) requires an express writing signed by both parties, which ensures that both parties understand who will own the completed work.<sup>151</sup> As with the statute of frauds, no equitable defenses are available to parties who allege the existence of an oral or implied contract.<sup>152</sup> Some commenters have argued that university copyright policies, even if not legally effective to transfer copyright ownership, estop the university from asserting ownership against the faculty member.<sup>153</sup> This line of reasoning fails to consider that estoppel is a form of equitable defense and, as such, is not available in disputes over ownership of copyrights.<sup>154</sup> Therefore, in the absence of an express, signed writing, there can be no transfer of copyright ownership.

*D. The Duration of a Copyright Is Dependent on the Work's Status as a Work-For-Hire*

Understanding whether a given work falls within the work-for-hire category is important for more than just deciding ownership. Work-for-hire status also determines the duration of the copyrights and whether licenses are subject to termination.<sup>155</sup> Copyrights in works that were not created as works-for-hire last for the life of the author plus seventy years.<sup>156</sup> For works-for-hire, the copyrights last for either 120 years from the creation of the work or ninety-five years from the first publication of the work, whichever is shorter.<sup>157</sup> Although in many cases

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149. *Pamfiloff v. Giant Records, Inc.*, 794 F. Supp. 933, 936 (N.D. Cal. 1992).

150. RESTATEMENT (SECOND) OF CONTRACTS § 131 (1981).

151. 17 U.S.C. § 201(b).

152. *See Pamfiloff*, 794 F. Supp. at 936–37.

153. *See Centivany*, *supra* note 8, at 411.

154. *See Pamfiloff*, 794 F. Supp. at 937; *Neva, Inc. v. Christian Duplications Int'l, Inc.*, 743 F. Supp. 1533, 1548 (M.D. Fla. 1990).

155. 17 U.S.C. §§ 203, 302.

156. *Id.* § 302(a).

157. *Id.* § 302(c).

the value of faculty-created works is weighted toward the present, there are some works that will continue to be cited and reproduced for many years.<sup>158</sup> If there is no consensus on whether the work was originally a work-for-hire or not, it will create uncertainty and potential litigation in the future over the length of the copyright term.

Further ambiguity is introduced by the question of termination. Licenses in works that were not originally created as works-for-hire may be terminated by the copyright holder anytime during the five years following the thirty-fifth year of the copyright.<sup>159</sup> This termination right is owned by the author's spouse, children, or grandchildren if the author dies.<sup>160</sup> Licenses in works-for-hire are not subject to termination.<sup>161</sup> This distinction could be significant for licensees of scholarly works, such as textbook publishers. The length of the copyright term and the existence of a termination right are likely to be significant issues in negotiating the terms under which the copyrights are licensed. Knowing with confidence whether a given work is a work-for-hire is therefore important to both licensees and licensors.

*E. University Policies That Decide Ownership by Genre of Work May Be Ambiguous or Controversial*

Many university copyright policies provide lists of the kinds of works the university claims ownership of and the kinds of works that they intend to belong to faculty members.<sup>162</sup> These lists tend to divide works between the two categories by genre. For example, copyrightable software is usually claimed for the university, while textbooks are usually disclaimed by the university.<sup>163</sup> If the ownership of the work is a

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158. Textbooks tend to require frequent updating while works of a more literary or artistic nature may have a longer lifespan. For example, James Watson, the Nobel Prize-winning biologist, wrote a textbook in 1965 entitled *Molecular Biology of the Gene*. Although still in use, the textbook is currently in its seventh edition and now carries the names of five additional authors. In contrast, Watson's popular account of the events leading to the discovery of DNA's molecular structure, *The Double Helix: A Personal Account of the Discovery of the Structure of DNA*, was written in 1968 and is still available in essentially its original form. Both works were created while Watson was a member of the Harvard University faculty and, if they had been created after the passage of the Copyright Act of 1976, would be subject to the kind of copyright ambiguities discussed by this Comment.

159. 17 U.S.C. § 203(a)(3).

160. *Id.* § 203(a)(2).

161. *Id.* § 203(a).

162. A compilation of the university copyright policies reviewed for this Comment is available at <http://www.law.washington.edu/wlr/issues/featuredarticles/dec13.aspx>.

163. See Georgetown Univ., Faculty Handbook: Intellectual Property § I (rev. May 4, 2006), available at <http://www1.georgetown.edu/facultyhandbook/toc/section4/sub2/>; Univ. of Mich.,

binary decision, either going solely to the university or solely to the faculty member, then the decision to place a given genre in one category or the other will determine ownership of all the rights in all works within that genre. This could make writing and enforcing such a policy controversial within the university community, particularly as hybrid or completely new forms of faculty works—such as those used in distance learning applications—are developed.

Problems may also arise when works do not fit neatly into one of the listed categories. This seems most likely to happen when new forms of works are developed which may not have been provided for in an existing copyright policy. For example, when distance-learning curricula were first developed at universities, which policy category the new curricula fell into was often unclear.<sup>164</sup> Some university policies include dispute-resolution processes, generally providing for adjudication by university representatives.<sup>165</sup> Resolving a complex, hard-fought dispute could therefore constitute a drain on university resources and a distraction to faculty and administrators.

#### *F. Copyright Ownership May Be Governed by Multiple University Policies*

Copyright ownership of works created by faculty members is usually addressed in a university's copyright policy, but other university policies may also impact copyright ownership. Universities often have ethics rules, conflict of interest policies, and outside activities policies that bear on ownership of faculty-created works.<sup>166</sup> In one situation where ownership of certain teaching materials was in dispute, it was reported that the university amended its employment policies to prohibit faculty

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Standard Practice Guide No. 601.28 § B (Sept. 21, 2011), available at <http://www.lib.umich.edu/files/services/copyright/601.28%20%281%29.pdf>.

164. See Michael W. Klein, "The Equitable Rule": *Copyright Ownership of Distance-Education Courses*, 31 J.C. & U.L. 143, 150 (2004).

165. See, e.g., Ariz. Bd. of Regents, Policy No. 6-908: Intellectual Property Policy § D.5. (rev. Aug. 2010), available at <https://azregents.asu.edu/rrc/Policy%20Manual/6-908-Intellectual%20Property%20Policy.pdf> (last visited Apr. 16, 2013); Harvard Univ., Statement of Policy in Regard to Intellectual Property § VI (rev. Oct. 4, 2010), available at <http://otd.harvard.edu/resources/policies/IP/IPPpolicy.pdf>.

166. See, e.g., Purdue Univ., Ethics Policy § III.B.1: Conflicts of Commitment and Reportable Outside Activities (rev. Aug. 31, 2012), available at <http://www.purdue.edu/policies/ethics/iiib1.html>; Ind. Univ., Policy on Conflicts of Commitment Involving Outside Professional Activities (Nov. 24, 2009), available at <http://www.indiana.edu/~ufc/docs/policies/ConflictsCommitment.pdf> (policies specifying limits on time spent, income received, and type of activities which may constitute a potential conflict of commitment and require reporting to the administration).

from engaging in some kinds of outside activities rather than address the issue over ownership of the works directly.<sup>167</sup> Requiring faculty and administrators to refer to multiple policies in order to determine the copyright status of a faculty-created work creates additional potential for confusion in an already ambiguous situation.

*G. Current Policies May Require Onerous Paperwork to Be Enforceable*

Although a blanket university policy does not satisfy the § 201(b) requirement for an express writing signed by both parties, it is certainly possible for universities and faculty members to create such a writing to alter the ownership of works-for-hire. The amount of paperwork required to do this on a routine basis, however, may be a significant burden. In order to comply with the requirements of § 201(b), the university would need to execute a contract with each faculty member describing the works to be owned by the faculty member.<sup>168</sup> Further, the federal copyright statute has been interpreted to require that an agreement altering copyright ownership of a work-for-hire must be made before the work is completed.<sup>169</sup> This prevents universities and faculty members from altering the presumption of employer copyright ownership retrospectively. Any transfer of copyrights in works already completed would require an additional contract between the university and the faculty member, adding unnecessary complexity to the situation.

In many cases, faculty members, believing that they own the copyrights in their works, have executed agreements assigning those copyrights to publishers.<sup>170</sup> In the event that the work in question was actually a work-for-hire, the copyright never belonged to the faculty

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167. See Strauss, *supra* note 3, at 7; Townsend, *supra* note 3, at 218–19.

168. See 17 U.S.C. § 201(b) (2006).

169. There is currently a circuit split on whether the agreement must also be in writing before the work is completed, or if an oral agreement that is put into writing after completion of the work is effective. The Seventh Circuit and Ninth Circuit have disallowed after-completion agreements. See Schiller & Schmidt, Inc. v. Nordisco Corp., 969 F.2d 410, 412–13 (7th Cir. 1992); Gladwell Gov't Servs., Inc. v. Cnty. of Marin, 265 F. App'x 624, 625–26 (9th Cir. 2008). The Second Circuit and district courts in Alaska, Texas, and Puerto Rico have allowed after-completion agreements that confirm an earlier oral agreement. See Campinha-Bacote v. Rearden, No. 3:10-cv-00139-JDR, 2011 WL 1343343, at \*3 (D. Alaska Apr. 8, 2011); Playboy Enters., Inc. v. Dumas, 53 F.3d 549, 558–59 (2d Cir. 1995); TMTV, Corp. v. Mass Prods., Inc., 345 F. Supp. 2d 196, 206–07 (D.P.R. 2004); Compaq Computer Corp. v. Ergonome Inc., 210 F. Supp. 2d 839, 842–44 (S.D. Tex. 2001); Zyware, Inc. v. Middlegate, Inc., No. 96 CIV. 2348 (SHS), 1997 WL 685336, at \*3 (S.D.N.Y. Nov. 4, 1997).

170. See Centivany, *supra* note 8, at 387.



member, making the assignment ineffective.<sup>171</sup> The large number of textbooks and other works that have been assigned to publishers by faculty members over the years means that casting doubt on the legal status of these works would create a tremendous disruption. Publishers would likely have to contract with the university to resolve this situation, creating an additional strain on university resources as these contracts are negotiated and executed.

#### IV. LICENSING WORKS-FOR-HIRE TO FACULTY MEMBERS PROVIDES GREATER CERTAINTY

Because there is significant ambiguity in the work-for-hire status of faculty-created works under the current model, there is also significant risk that, in the event of a dispute, the ownership of these works would not be resolved consistently with the parties' intent. As discussed in Part III.B, universities' attempts to resolve this problem using copyright policies are probably inadequate. This Part argues that universities and faculty members can accomplish their goals with respect to control of copyrighted works without ambiguities by using a licensing model rather than an assignment model.

##### A. *Universities Should Retain Ownership of Copyrights in Faculty-Created Works*

When universities attempt to give ownership of works-for-hire to faculty members, they are fighting against the presumption of employer ownership in the Copyright Act.<sup>172</sup> As a result, the process required to transfer ownership is burdensome and the result is often unclear.<sup>173</sup> Recent case law reflects a trend toward abolishing the teacher exception and finding that many faculty works belong to the university as works-for-hire.<sup>174</sup> It is time for universities and faculty to move to a new model of copyright ownership that takes these legal realities into account. The first step is for universities to include the creation of traditional scholarly works within the scope of employment for faculty members. Although university policies cannot remove works from the work-for-hire category, as that determination is a matter of law,<sup>175</sup>

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171. See *supra* Part II.B.

172. 17 U.S.C. § 201(b).

173. See *supra* Part III.

174. See *supra* Part II.A, Part I.D.

175. See PATRY ON COPYRIGHT, *supra* note 22, § 5:47.

university policies and employment contracts can broaden the scope of a faculty member's employment, thus including additional works within the works-for-hire category. This would allow all faculty-created works to begin in the same, well-defined legal category.<sup>176</sup> Universities should then accept ownership of copyrights for all faculty-created works. Although seemingly counter to the parties' intent, university ownership will provide a clear, legally grounded starting point for all further licensing and assignment of rights. This will, in turn, allow the parties to create effective, enforceable agreements that allocate the copyrights in scholarly works in an appropriate manner.

*B. Universities Should License Copyrights to the Faculty Member*

It appears from university copyright policies that universities want to provide faculty members with the copyrights to their traditional scholarly works.<sup>177</sup> The simplest way to accomplish this goal is for the university to provide the faculty member with an exclusive license to the copyrights in his or her work.<sup>178</sup> A licensing approach avoids many of the problems that are present in a scheme dependent on university policy statements. Because licensing does not invoke the requirement of § 201(b) for the signatures of both parties, it is much easier to write and execute an effective license than to attempt to transfer ownership. Licensing contracts are subject to the statute of frauds, if such a provision exists in the relevant state law, but only to the same extent as any other contract not to be performed within one year.<sup>179</sup> Courts may find an informal letter, a series of related documents, or a memorandum signed by one party sufficient to satisfy the statute of frauds.<sup>180</sup> A

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176. There are limits to what can be included in the works-for-hire category, as this is still a matter of law and will be decided using agency principles. For example, musical compositions created at home by a chemistry professor, and having no relation to any subjects of the professor's research or teaching would probably not be considered within the professor's scope of employment regardless of broad contractual provisions. Materials relating to a faculty member's teaching or research topics, however, can plausibly be included within the scope of employment and some have argued that such material already falls within that scope. *See* discussion *supra* Part II.A.

177. *See supra* Part II.B.

178. There is some debate as to whether an exclusive license is equivalent to transfer of ownership. *See* ABRAMS, *supra* note 122, § 4:44. Analysis of this question is beyond the scope of the present Comment, however the issue could be avoided by retention for the university of some rights. The right to internal use for educational purposes, for example, is commonly mentioned in university copyright policies as being retained by the university and may not be objectionable to faculty members.

179. *See* MELVIN F. JAGER, LICENSING LAW HANDBOOK § 8:7 (2012).

180. *Id.*

university copyright policy that purports to transfer ownership cannot be enforced under the doctrine of estoppel, as discussed previously,<sup>181</sup> but a policy that states the university's intent to license works could be enforced under estoppel in the event of a future dispute. As works-for-hire, the faculty works being licensed would not be subject to termination rights, further protecting faculty members' rights in the event of a future change in university policy.<sup>182</sup> An additional advantage of licensing is that it allows the parties to divide the rights according to their respective interests. Many current university policies seek to retain the right to use the works internally, even when they attempt to transfer ownership to the faculty member.<sup>183</sup> Under a license, the university could easily retain the rights that it values most, while granting to the faculty members the rights that are of most importance to them.

*C. The Rights Granted in a License Can Be Customized for Different Types of Works*

Under current university policies, works are divided into only two buckets: those the university will own and those the faculty member will own.<sup>184</sup> Determining which category a given work fits within becomes a high-stakes decision, as one party gets all the rights and the other gets nothing.<sup>185</sup> Licensing could decrease the controversy around categorizing works by allowing the creation of more buckets. Universities can create a full set of categories that distribute the rights between the university and the faculty member in ways that make sense for a variety of works. For example, the university could retain full rights in an administrative proposal, grant some rights to the faculty member for distance learning curricula, grant more or different rights to the faculty member for teaching materials, and grant all rights to the faculty member for textbooks. By providing a variety of options,

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181. *See supra* Part III.C.

182. 17 U.S.C. § 203(a)(3) (2006).

183. *See, e.g.*, Northwestern Univ., Copyright Policy § A.1.b (Sept. 1, 2006), available at <http://invo.northwestern.edu/policies/copyright-policy> (“[T]he Creator shall grant, or use best efforts to cause others to grant, to the University a perpetual, royalty-free right and license to use, perform, display, copy, or reproduce such works, for all traditional, customary or reasonable academic or research purposes of the University.”); Kan. Bd. of Regents, Policy and Procedures Manual II.D. § 8(a)(2) (rev. Apr. 18, 2013), available at <http://www.kansasregents.org/resources/PDF/2582-BoardPolicyManual.pdf> (“Except for textbooks, institutions shall have royalty-free use of the [scholarly] work within the institution, unless otherwise agreed in writing.”).

184. *See supra* Part III.E.

185. *See supra* Part III.E.

universities and faculty should be able to reach an agreement on rights in a specific work that addresses the interests of both parties. Additionally, providing a variety of licensing options could allow universities to permit some kinds of outside work that may currently be prohibited due to an inability to agree on copyright ownership of the works involved. Providing a variety of licensing options would create a system that is flexible enough to adapt to the specific copyright needs of faculty members and universities in a wide variety of circumstances.

*D. Publishers Should Accept Licenses from Faculty*

It is common practice for publishers of scholarly works to require that faculty authors assign their copyrights to the publisher.<sup>186</sup> If many of these works were in fact works-for-hire, then the copyrights are held by the university, making these assignments ineffective.<sup>187</sup> Rather than requiring an assignment of rights, however, publishers can accept licenses to the copyrights, as is done in the non-academic publishing industry.<sup>188</sup> If the university grants a license to the faculty member which permits sub-licensing, the faculty member is then free to sub-license his or her rights to a publisher.<sup>189</sup> If exclusivity is important to the publisher, the faculty member can grant an exclusive sub-license. If the publisher wants to be able to sell its rights in the work, the faculty member can grant a transferrable license. As the faculty member can only sub-license the rights that have been licensed to him or her,<sup>190</sup> it will be important to ensure that the faculty member is granted appropriate rights for works intended for publication. As long as this factor is taken into account, it is difficult to imagine a situation that could not be addressed satisfactorily by licensing the appropriate rights.

*E. Attribution Provisions Can Ensure that Faculty Members Receive Credit for Their Works*

Faculty members may be concerned about receiving appropriate credit for their scholarly writings when they do not own the copyrights in the works. It is likely to the benefit of both the university and the

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186. See Centivany, *supra* note 8, at 379 (discussing academic publishing practices).

187. See *supra* Part III.B.

188. See ALEXANDER LINDEY & MICHAEL LANDAU, LINDEY ON ENTERTAINMENT, PUBLISHING AND THE ARTS § 5:13 (3d ed. 2013).

189. See RAYMOND T. NIMMER & JEFF C. DODD, MODERN LICENSING LAW § 9:25 (2012).

190. *Id.*

faculty member to have the faculty member's name associated with the work.<sup>191</sup> Toward that end, the university should adopt an attribution policy that requires any use of the work by the university to include creative attribution. Faculty members can also include an attribution provision in any sub-licenses that they grant to publishers or other third parties. This will ensure that the faculty author is credited for his or her contributions to the field, even though he or she is not the legal author of a work-for-hire. One simple solution for attribution would be to include the faculty member's name on the same line as the copyright notice. For example, the copyright notice appearing on the title page of a scholarly article could read: "Created by Professor John Doe, © 2013 University of Anystate." In this manner, the correct copyright information is given and, at the same time, creative attribution is clear and easy to locate.

For works already published that list a faculty member as the copyright holder, the fact that the actual copyright holder may be the university does not invalidate the copyright. The Copyright Act allows copyright holders to provide notice to potential infringers that a work is copyrighted by marking the work with a symbol and a name.<sup>192</sup> Under the Berne Convention Implementation Act of 1988, a copyright is still valid even if the work carries no copyright notice.<sup>193</sup> Nimmer notes that even when notice was required, giving notice under the wrong name did not necessarily make the notice ineffective.<sup>194</sup> Mistakenly listing the faculty member's name in the copyright notice, therefore, should be legally effective and not jeopardize the copyright in the work.

## CONCLUSION

Current trends in copyright law leave the ownership of faculty-created works ambiguous at best. It is possible that even the copyrights in traditional scholarly works created by faculty members belong to their respective universities as works-for-hire. This ambiguity results in legal uncertainties about ownership and duration of copyrights that could impact universities, faculty members, and assignees or licensees of these rights.

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191. See Scully, *supra* note 1, at 252–53 (discussing the benefits of faculty publication to the university and to the faculty member).

192. 17 U.S.C. § 401 (2006).

193. Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (amending 17 U.S.C. § 401(a) to state that notice "may" be provided rather than "shall" be provided).

194. See NIMMER ON COPYRIGHT, *supra* note 122, § 7.09; see also 17 U.S.C. § 406.

In order to resolve these ambiguities, this Comment argues that universities and faculty members should agree that the copyrights in faculty works belong to the university, as an employer. The university should then provide faculty members with an exclusive license to the copyrights in the works that they create. This strategy would clarify ownership, ensure that licenses provided to publishers and other third parties are enforceable, and allow universities and faculty members to divide the rights in ways that make sense for a variety of different types of works. Although the university would own the copyrights, attribution provisions and copyright notices can ensure that faculty members receive appropriate recognition for their work.

Such a dramatic change in universities' approach to copyrights would, no doubt, be controversial. It is important, however, to focus on the substantive result of any system for distributing copyrights. The current approach, based on vague and potentially unenforceable university policies, provides a formalistic affirmation of faculty ownership of scholarly works, but paradoxically creates a risk that faculty members will have no rights in their scholarly works. A licensing scheme, however, could provide greater clarity, enforceability, and control for faculty members, thus better serving the parties' substantive goals.