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INTELLECTUAL PROPERTY

The newsletter of the ISBA's Section on Intellectual Property Law

November 2000, vol. 40, no. 1

Academia at risk: antiquated IP policy

By Daniel Kegan

Our schools and colleges face enlarging potholes on the information superhighway because of antiquated intellectual property policies in academia. Many academic institutions have no explicit intellectual property policy; others may have established policies for inventions by faculty and researchers and trademark licensing for major college football teams. However, the current widespread computer literacy coupled with the explosive economic growth of the Internet, multimedia content, and computerized entertainment now enable students and nontraditional academic participants to create valuable assets. Additionally, group-based entrepreneurial classes rarely are structured for clear intellectual property ownership. Traditional work-for-hire analysis was not crafted for students and minors. Most in academia are ill-prepared for the currently needed advance definitions of who owns what.

The traditional academic concern is with copyright, academic freedom, plagiarism, and who gets authorship credit.¹ But authorship is more complex. Academic credit is quite different from legal copyright ownership. Academic tradition may grant authorship for key conceptual ideas, innovative research designs, and integrative research theories. Copyright doesn't, patent may or may not.²

Deciding both academic authorship and copyright/patent ownership should generally be done before research begins. If the creators of intellectual property cannot agree or, more likely, neglect to obtain written agreements beforehand, valuable assets will be lost as public domain. Alternatively, if schools and colleges now discuss, adopt, and publish more modern intellectual property policies, fair allocations may be made and assets increased, not wasted.

Congress sought to enhance the "predictability and certainty of copyright ownership," and enacted the 1976 Copyright Act.³ The courts also seek to promote the ready marketability of property.⁴ Rather than sunshine clarity, current academic practices create not merely clouds on campus-developed intellectual property ownership, but thundershowers.

The American Association of University Professors has recently studied how the Internet is impacting the professorate.⁵ The AAUP has positions on academic freedom and the ownership of course materials, on the presuppositions and implications of large-scale distance education,⁶ and related matters.⁷

It used to be that creating a college curriculum consisted simply of drawing up an outline and attaching a reading list. These

days, more and more syllabi contain links to material on the World Wide Web, and some courses are laid out in elaborate online productions that may include multimedia content.

The spread of digital course materials has generated a conflict between faculty members and universities over who owns these suddenly valuable syllabi. As universities see a growing profit potential in digital course material, educators worry about losing control of both their work and the revenues that could derive from its sale. In other words, the dispute touches on two compelling issues: academic freedom and money.

What is clear-cut in journalism is a lot more complicated in academe. Universities traditionally have not claimed ownership over the writings of faculty members. Academic authors are usually entitled to keep any royalties generated by the sale of their books. There is a good reasons for this: academic freedom.⁸

The American Association of University Professors has also recognized that many universities need to review their patent policies to include copyright, multimedia, and the Internet.⁹ However, a workable academic intellectual property policy needs to include all major stakeholders, including students. A good academic policy anticipates realistic problems and prevents most of them. At today's campus, students and staff often collaborate with faculty.

As one concrete target, I recommend academic institutions publish their intellectual property policy in the academic catalog, thus giving public notice to students, staff, and faculty. This may take time, but open debate and publication are academic traditions. To support such discussion, this article appends a sample one-page draft-for-discussion-and-change academic intellectual property policy. After agreement on general policy, particular schools can draft appropriate implementing procedures.

Most importantly, I recommend an intellectual property policy establish default ownership, administration, and income provisions, so that if the creators of the intellectual property cannot agree, or as is more likely now, neglect to obtain written agreements beforehand, fair allocations are made, not lost as public domain.

Most academic creations do not generate significant commercial income, but for those few which do, lack of clear title costs money. Faculty and students are mobile. A single student of a multidisciplinary team may be a necessary creator to secure rights and effectively market them. Obtaining that signature years later is difficult. Centralized administration is a practical necessity where all creators have not signed a valid agreement for asset control and income distribution.

Facts and problems

Academia is increasingly interested in money; students are increasingly creating valuable intellectual property. While the law continues to grow from its long established roots,¹⁰ both public and private academia lag in recognizing, much less successfully addressing, capitalism's current stresses at the campus.

Marc Andreessen invented the Mosaic browser while a 21-year old graduate student at the University of Illinois.¹¹ Motivated to have a simple computer interface for all the functions of Tim Berners-Lee's World Wide Web--to democratize the Web--Andreessen and Eric Bina, another programmer at the university's National Center for Supercomputing Applications, created Mosaic in three months of night and weekend work.¹² Andreessen was then earning \$6.85 an hour to write Unix code. Shortly thereafter in spring 1994, Jim Clark and Andreessen launched Netscape Communications Corporation, which exploded Wall Street with its multi-million dollar initial public offering well before Netscape had a profit.

The Apple Developer Connection Student Program, launched December 1998, provides college and university students software tools to begin developing Macintosh software.¹³

Some see the commercial world wrongly intruding into the classroom.¹⁴ Study24-7.com pays students to take notes in college classes and posts those notes on the Internet. The University of California sued a traditional note-taking company that markets lecture notes without university permission.¹⁵

Professor Eugene Klotz of Swarthmore College in 1994 founded www.mathforum.com, a popular mathematics education Web site, which employs many students and alumni.¹⁶ After a \$3 million National Science Foundation grant ran out in 1996, Math Forum was sold to WebCT, an educational business, as Swarthmore College's first spin-off business.¹⁷

Ethical problems enlarge when common commercial practices invade the classroom. When a professor of entrepreneurship is also the founder and chief executive officer of a course case study company, his strong promotion of his own fragile company, automatic A grades without class meeting, apparent violations of securities laws, student investments over a half million dollars, and front page national exposure of such unusual practices are results academia may prefer to avoid.¹⁸

The Wall Street Journal reports universities are going on the offensive against Virtual Universities.¹⁹ Six billion dollars of venture capital has flowed into the education sector since 1990. Cisco System Inc.'s John Chambers considered education "the next big killer application on the Internet."²⁰ The Journal observes that while maintaining a stranglehold over degree granting and intellectual property, traditional schools are also carving out a space for themselves in the for-profit educational world.

"Universities are knowledge entrepreneurs, and intellectual capital is a huge resource for them."²¹ The University of Illinois has launched an independent venture-capital fund, named iVentures, to fuel campus start-ups and retain faculty entrepreneurs.²² The university will own part of the new companies and reinvest profits back into the fund to support more start-ups. Freshmen college students are mixing their venture capital and student roles.²³ Northern Illinois University has given investment responsibility for \$220,000 to students; over fifty other schools have similar programs.²⁴

Big university football and related under-appreciated trademark assets prompted the 1986 founding of the Association of Collegiate Licensing Administrators. The 1970s brought a boom in telecasting of collegiate sports.²⁵ Ohio State University may have been the first university to apply for federal trademark registrations for a school name and mascot, November 1973.²⁶ Trademark licensing, even with typically modest royalty rates around six percent, can generously augment traditional academic funding sources.²⁷

College athletic programs seek additional revenue, sometimes using football, basketball, and baseball revenues to support money-losing sports.²⁸ For Louisiana State University, a private, nonprofit group, Tiger Athletic Foundation, issued \$40 million of 30-year bonds; Tiger owns a newly built stadium skybox deck, which doesn't physically touch any part of the state-owned stadium.

Biotechnology raises commercial and ethical issues. "Sharing of profits is debated as the value of tissue rises."²⁹ "Biological products raise genetic ownership issues."³⁰ Major scientific and commercial discoveries may not initially have their value widely recognized. Academic and corporate scientists are racing to decode the entire DNA sequence.³¹

UniversityAngels accepts business plans from entrepreneurs, reviews them, and then posts them on Web sites targeted to university communities.³² Founded June 1999 by four Harvard Business School graduates, their initial site linked entrepreneurial Harvard graduates with Harvard alumni interested in investing. The company now runs 75 sites targeted to university alumni in the US, Europe, and Israel.

In the government's first study to address commercialism in schools, the General Accounting Office concludes that corporate marketing in public schools is rising sharply.³³ The nation's 47 million students are an increasingly lucrative target market, and school boards consider exclusive soft-drink contracts and computers displaying continuous advertisements one way to supplement spare budgets without raising taxes. However, educators are "trained in the three R's, and the R's don't include retail"--some fear school officials are out negotiated.³⁴ Educators are seen as "terrible negotiators."³⁵

Computer oriented youth are supplementing or replacing their student status with that of technological employee.³⁶ A college freshman, Dr. Wall Street, moonlights as an Internet stock-market analyst.³⁷ For-profit corporations are using taxpayer-supported institutions to sell their products, with programs such as stock options to have students market textbooks to other students.³⁸ In a marketing class funded by a local Saturn dealership, Sonoma State University students will be graded on how well they promote Saturn autos to their peers.³⁹

The Wall Street Journal announces that "Entrepreneurs don't just seem younger these days, they are younger."⁴⁰ Consumer grade camcorders and computers now permit young teenagers to shoot technically high quality movies.⁴¹ Students can make films and multimedia computer presentations for classes, post them on the Internet, and be stars of prime time reality television.⁴² Companies are paying minors for Internet projects.⁴³ It's likely many such deals lack informed consent, written copyright agreements, and cosignatures by the youths' guardians.⁴⁴

Many students use Napster, MP3, and Gnutella for sharing copyrighted music; their legality is being tested and defined in the courts.⁴⁵ With high financial stakes, unclear social norms, and Internet interest, surprising legal theories join traditional intellectual property cases. Shawn Fanning wrote the code for Napster when he was 18.⁴⁶

MP3Board Inc., a defendant in a copyright infringement suit brought by major music companies, filed a third-party complaint seeking indemnification by Time Warner Corp. and America Online, because the latter's employees developed the Gnutella technology for peer-to-peer sharing of copyrighted music.⁴⁷ MP3Board alleges that Time Warner and America Online, through subsidiary Nullsoft, created and distributed Gnutella knowing it would be used to find and copy MP3 music files. Different from Napster, which requires a central registry of available MP3 music, Gnutella is a peer-to-peer system. This charge to corporate management parallels possible negligent supervision complaints for schools for the acts of students and employees.

Academia has many blurred roles and jurisdictions; increasingly they have financial consequences. Are teaching assistants employees or students?⁴⁸ Illinois has found that a nonresident Internet-based professor is not subject to Illinois tax.⁴⁹ Public and private schools hire foreign citizens as teachers.⁵⁰

Misjudgments and crime have also accompanied the Internet's growth. A Georgetown University graduate school student launched a stock tip-sheet, FastTrades.com, obtained over 9,000 online users, created a stock scam, made for himself and collegiate friends \$345,000 trading profits, and committed securities fraud.⁵¹ Academia sometimes forgets that high status students need appropriate norms as much as others.⁵²

High school student Jonathan Lebed began manipulating small-company stock prices when he was 14 years old, and at 15 became the first minor accused by the Securities and Exchange Commission of stock fraud for his pump-and-dump Internet postings, which earned him \$270,000.⁵³ Reportedly, Lebed felt he had done nothing illegal, telling SEC investigators "Everybody does this." A very young minor, Sho Yano, enrolled as a Loyola University college freshman at the age of 9.⁵⁴

Harvard Law School professor Arthur Miller videotaped eleven lectures for an Internet course by Concord University School

of Law on civil procedure.⁵⁵ Concord is an online degree granting school established by Washington Post Co.'s Kaplan Educational Centers. Harvard policies bar faculty from teaching for another educational institution during the academic year without getting permission.

In 1998 three-quarters of the public four-year colleges and universities offered distance education classes.⁵⁶ For a "Competing in the New Economy" course at the University of Michigan Business School, students and instructors will collaborate, largely over the Internet, to devise new ways to run businesses.⁵⁷ For another Michigan course, "Idea to IPO in 14 Weeks," students start the course with dot-com ideas, hear venture capitalists, and three months later ask the same VCs for investment money.⁵⁸ At Wharton School, established executives are learning to create and run e-businesses through "reverse mentoring," being paired with Wharton M.B.A. and undergraduate students.⁵⁹

During an entrepreneurial course at a midwestern university, a wise student inquired of his savvy instructor what rights the student would have were he to share his idea with classmates; the student decided to keep his idea secret, and use a different project for the course.⁶⁰

The American Psychological Association reports that schools are unready for the technology boom.⁶¹ Web access may provide more students with access to course materials and library resources, but unresolved is who develops, pays for, and supports the new technology; typically faculty haven't been compensated for the extra time and money spent developing multimedia and online materials.

Traditionally faculty have owned copyright to their academic works, and students have freely used university resources. But academia is seeking more funding and many entrepreneurial and group courses obtain supplemental college funding. What was once considered a free good is increasingly being considered private property.⁶²

The osmosis of market capitalism into academia is summarized by educator Gary Trudeau, as the Walden University president gives the 2000 commencement address:⁶³

As newly minted Walden graduates, you are the hope of tomorrow! We believe in you, and we believe in your future!

In fact, we believe in you so much that the university has decided to forgive student loans in return for modest equity positions in any businesses you may have created here!

All interested parties please run your numbers by the dean before leaving.

Thank you and good luck!

[Students]: You wish!

[President]: Um... Excuse me? Who gave you all high-speed lines?

Laws

Patents. A patent owner has the exclusive right to make, use, offer to sell, and to sell the patented invention.⁶⁴ An employer generally has a personal, nonexclusive "shop right" to use its employee's invention created using the employer's resources in the employer's business without paying a royalty.⁶⁵ Nonprofit organizations and small businesses may, under certain conditions, elect to retain title to federally funded inventions.⁶⁶

In the United States, a patent application generally must be signed by the actual inventors.⁶⁷ When an invention is made by two or more persons jointly, they shall apply for patent jointly and each make the required oath, except as otherwise provided by the Patent Act.⁶⁸ If an inventor refuses to join in a patent application or cannot be found after diligent effort, the application may be made by the other inventor(s) on behalf of all the inventors.⁶⁹ However, title is less clear and disputes more likely when named inventors have not signed the patent application.⁷⁰ Legal representatives of minors and of deceased inventors may apply for a patent.⁷¹

Copyright. The copyright owner has the exclusive right to reproduce, distribute, prepare derivations of, publicly display, and publicly perform the copyrighted work.⁷² Balancing these proprietary rights are the statutory fair use exceptions⁷³ and the Constitution's First Amendment.⁷⁴ Fixing a copyrightable work in a tangible means of expression automatically grants the author(s) a copyright, which currently lasts about a century.⁷⁵

Copyright in a work vests initially in the author or authors of the work.⁷⁶ The authors of a joint work are co-owners of copyright in the work.⁷⁷ The employer or person for whom the work was prepared is consider the author of works made for hire, unless the parties have expressly agreed otherwise in a written instrument signed by them.⁷⁸ A transfer of copyright ownership requires the actual signature of the person who executed it, or a true copy and certification.⁷⁹ Ownership of copyright is distinct from ownership of the material object.⁸⁰

A "work made for hire" is defined by statute and has been extensively construed by the courts.⁸¹

A "work made for hire" is--

(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. For the purpose of the foregoing sentence, a "supplementary work" is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forwards, afterwords, pictorial illustrations, maps, charts, tables, editorial notes, musical arrangements, answer materials for tests, bibliographies, appendixes, and indexes, and an "instructional text" is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities. 17 USC § 101.⁸²

An agreement altering the statutory presumption under the Copyright Act must be express and must appear on the face of the signed written document, a statute of frauds.⁸³ However, misunderstandings and litigation are likely as long as academic maintains antiquated intellectual property policy statements meant for faculty scholarly publications but written to encompass broader terms.⁸⁴ A policy statement directed to "staff" may logically include research assistants, janitors, teaching assistants, and undergraduate part-time students working in the cafeteria.

Although copyright automatically vests in its author(s) at creation, copyright registration is generally a prerequisite to most remedies for infringement.⁸⁵

Trade secrets. Any formula, pattern, device, compilation of information, plan, tool, mechanism, or compound which gives its

owner a competitive economic advantage and is not generally known in the industry may be protected as a trade secret.⁸⁶

Minors, contracts, and conflicts. A minor is a person under the age of legal competence. State law defines when a person is no longer a minor, generally 18 in the United States.⁸⁷ A contract is a legally enforceable promise, and generally requires the parties to be competent. Most agreements by minors are voidable.⁸⁸

Conflicts of laws provisions seek to determine which forum law should be applied. When a seventeen year old national of a foreign country creates intellectual property in a college classroom and at home on vacation, choice of laws becomes more complex than a simple place of making the contract or the place of the tort. The Internet, with its cutting edge issues of jurisdiction and copyright, furthers the complexities.⁸⁹

Academic perspectives. The US Supreme Court, in *Community for Creative Non-Violence v Reid*, [490 US 730](#) (1989), unanimously addressed the work for hire doctrine. The Seventh Circuit has recognized professors' copyright in their academic work, granting more weight to the importance of academic freedom than to work-for-hire. *Hays v Sony Corp. of America*, [847 F2d 412](#) (7th Cir. 1988).

Solution

It seems rare for students, before disclosing proprietary ideas, to be adequately informed of their rights, the intellectual property laws, contract and partnership basics, and the common problems of hopeful new ventures. It seems rare for students to be sufficiently informed of intellectual property laws to be able to give informed consent. It seems rare to have minors' guardians involved in the process of increasing commercialism on campus. Yet, "students, academics and business professionals increasingly are functioning more like a learning team."⁹⁰

Academia can help all participants by establishing fair, public, default intellectual property provisions. A college catalog contract is needed to buffer the stringent default common law and statutes. Academics, individually and collectively, may be less familiar with contract law than the corner storekeeper.⁹¹ A college catalog intellectual policy statement is necessary but not sufficient. Appropriate courses should have students, and their guardians, read, understand, and sign an acknowledgment of the school's intellectual property policy before the class starts. Primary schoolers need signed field trip permissions; students in creative and entrepreneurial courses need early, explicit reinforcement of a well-balanced, modern academic intellectual property policy.

Although intellectual property law is well developed for traditional paid employees--with the copyright work for hire and patent shop right doctrines--the legal role and rights of the student creator using school resources is unclear. Who does and who should own the rights of a creative examination essay? What duty does the grading instructor have to notify the student of the commercial value of the essay? When a college brings together budding businesspersons, has it a duty to facilitate fair partnerships? How should the college respond when a student cannot complete an assignment because it would conflict with the student's non-disclosure agreement for his paid job.⁹²

Most academic work does not make money; most alumni do not make multi-million dollar contributions. Yet academic development offices encourage a habit of contributions from all alumni, knowing the motherlode gift is an unpredictable grace. Likewise, academia should prepare itself and its members--faculty, administration, students, employed students, visiting lecturers, intercollegiate class teams--to smoothly and fairly preserve intellectual property assets when serendipitous creativity creates wealth.

Academia, unlike traditional business, rarely makes and accepts unilateral hierarchical decisions.⁹³ Academia, like any organization, has multiple stakeholders, wishing with varying degrees of intensity, to influence mission and method.⁹⁴ Many

schools have adopted policies for appropriate Internet use. It is time to move beyond fascination with the computer, and appreciate that inventions, copyrightable works, and new businesses can now be created by young students. High schools, small colleges, large universities, all need appropriate intellectual property policies now.⁹⁵

Schools will fix the fulcrum balancing proprietary rights and social learning differently, just as schools now foster and promote differing cultures and values. But while a prospective student today can select a college weighing academic selectivity, graduation rates, NCAA sports status, venue, financial aid, and campus alcohol rules, intellectual property policies are not yet an available criterion. Students, faculty, schools, and the academy as a whole will benefit when the competitive market supports a variety of default and contractual opportunities.

Sample draft acknowledgment and policy

Crafting a workable and fair intellectual property policy for an educational institution is not a mechanical task. I caution against ad hoc modification or removal of any term without adequate consideration of the interconnected consequences. On the other hand, this is only a general draft-for-discussion-and-change, and there are several alternative arrangements that can provide fair notice, due process, and practical management.

These proposed draft-for-discussion-and-change documents comprise two components. First, a longer draft intellectual property policy, which is for consideration and inclusion in a college's overall policy manual, catalog, and Internet web site. Second, a student acknowledgment, which can fit on one side of a single sheet of paper.

If a school had a suitable intellectual property policy in place, then several paragraphs of even the short student acknowledgment could be removed. Additional paragraphs of the acknowledgment are to educate the student and to place payment to a school's associated foundation, if any, in context. While it is editorially possible to limit what students, and if minors their guardians, sign to the bare minimum for a technical grant of rights, I do not recommend that approach.

There is a significant danger for a very successful project that someone will try to contest the grant by a young student. Placing straightforward explanations of the context of a grant makes it much harder to argue that the young student did not know what he or she was doing, or was coerced into signing for other academic purposes, and the like.

Persons who are not intellectual property attorneys may not realize that patent rights can be forever lost if there is any public disclosure before patent filing and that publication of an invention starts a statutory one year limit to file a patent application.⁹⁶ If students are not early warned, there is a strong risk that some patent rights will be lost.

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ever been involved in an unsuccessful startup, Burhan paused and replied no, omitting his experienced with the failed Ho-Lee Chow Chinese fast-food home-delivery business. Twice during a course, Burnham told students shares in South Beach were still available. One student gave Burnham a \$5000 check on the last day of classes, buying shares at \$1 each. A student tape-recorded the course, providing evidence.

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48. James Sterngold, "Betwixt and Between," *New York Times*, Education Life 17, Aug. 1, 1999.
49. *Illinois Dept. of Revenue*, IT 00-0025-GIL, March 14, 2000, reported in 5 ECLR 854, Aug. 16, 2000.
50. Barbara Buchholz, "Reaching out for teachers: Chicago-area schools going global in looking for a few good recruits," *Chicago Tribune*, VI, 1, Sept. 17, 2000.
51. Michael Schroeder, "Georgetown students draw Web investors--and an SEC bust," *Wall Street Journal*, A1, March 3, 2000. According to the student's later Web page message, his strategy was: "buy a bunch of the garbage stock. Tell your idiot subscribers about how great the stock is, and like sheep they will run out and buy it. Dump the shares you bought a few hours ago to all these suckers."
52. "Schooling the Colleges: The NCAA lets the universities deal with student-athlete problems, which means only a handful have any policies at all." *American Bar Association Journal*, 102, July 2000.
53. "Teenager trader runs afoul of the SEC as stock touting draws charges of fraud," *Wall Street Journal*, C1, Sept. 21, 2000; Gretchen Morgenson, "S.E.C. says teenager had after-school hobby: Online stock fraud," *New York Times*, C1, Sept. 21,

2000. To guard against missing his manufactured stock price peaks while he was in school classes, Lebed placed limit orders, setting a minimum price to sell the stock. "Perhaps the most amazing aspect of this case is that there are investors who will buy stocks based on anonymous Internet tips," the Times concludes. Daniel Kadlec, "Crimes and Misdemeanors," 156 *Time* 52 (Oct. 2, 2000).

54. "Kirsten Scharnberg, 9-year-old college whiz doesn't act his age or IQ," *Chicago Tribune* 1, Oct. 1, 2000.

55. Amy Marcus, "Why Harvard law wants to rein in one of its star professors," *Wall Street Journal*, A1, Nov. 22, 1999.

56. National Center for Education Statistics, *Distance education at postsecondary institutions: 1997-1998*, <http://nces.ed.gov/pub_search/pubsinfo.asp?pubid=2000013>. For a education technology view of distance learning see 13 *Syllabus* (June 2000) <www.syllabus.com>.

57. Rachel Silverman, "Class action: B-schools tailor courses to changing web world," *Wall Street Journal*, B14, Sept. 5, 2000.

58. *Id.*

59. *Id.*

60. Personal communication from school dean.

61. Bridget Murray, "Schools unready for technology boom," *APA Monitor*, 22, Oct. 1999.

62. A few decades ago the cost of manufacturing pollution was not considered by accountants nor society. After enactment of environmental laws and establishment of the Environmental Protection Agency, previous economic "externalities" became corporate costs. With the sale of pollution rights, lower pollution became a corporate asset.

63. *Doonesbury*, *Chicago Tribune*, May 7, 2000.

64. *Infringement of patent.* (a) Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent. 35 USC § 271.

65. *Wommack v Durham Pecan Company Co., Inc.*, [715 F2d 962](#), 965, 219 USPQ2d 1153, 1156-57 (5th Cir. 1983). [I]f the employee was not hired to invent, the employer may establish a shop right. As commonly stated, a shop right will be found where the employer shows that the invention was developed by his employee during the employer's time or with the assistance of the employer's property or labor. A shop right permits the employer to use the subject of the patent for his own purposes, but not to sell or prohibit others from using it. The inventor retains a valid patent. *Id.* citing *United States v Dubilier Condenser Corp.*, [289 US 178](#), 188, 17 USPQ 154 (1922).

66. §200. Policy and objective. It is the policy and objective of the Congress to use the patent system to promote the utilization of inventions arising from federally supported research or development; to encourage maximum participation of small business firms in federally supported research and development efforts; to promote collaboration between commercial concerns and nonprofit organizations, including universities; to ensure that inventions made by nonprofit organizations and small business firms are used in a manner to promote free competition and enterprise; to promote the commercialization and public availability of inventions made in the United States by United States industry and labor; to ensure that the Government obtains sufficient rights in federally supported inventions to meet the needs of the Government and protect the public against nonuse or unreasonable use of inventions; and to minimize the costs of administering policies in this area. 35 USC § 200.

Disposition of rights. (a) Each nonprofit organization or small business firm may, within a reasonable time after disclosure as required by paragraph (c)(1) of this section, elect to retain title to any subject invention: Provided, however, That a funding agreement may provide otherwise.... 35 USC § 202.

67. Application (a) In General.-- (1) Written Application. --An application for patent shall be made, or authorized to be made, by the inventor, except as otherwise provided in this title, in writing to the Commissioner. 25 USC §111(a).

Oath of applicant. The applicant shall make oath that he believes himself to be the original and first inventor of the process, machine, manufacture, or composition of matter, or improvement thereof, for which he solicits a patent; and shall state of what country he is a citizen. 35 USC § 115.

68. 35 USC § 116. Inventors may apply for patent jointly even though (1) they did not physically work together or at the same time, (2) each did not make the same type or amount of contribution, or (3) each did not make a contribution to the subject matter of every claim of the patent.

69. The Commissioner, on proof the pertinent facts and after such notice to the omitted inventor as he prescribes, may grant a patent to the inventor making the application, subject to the same rights which the omitted inventor would have had if he had been joined. The omitted inventor may subsequently join in the application. 35 USC §116.

Filing by other than inventor. Whenever an inventor refuses to execute an application for patent, or cannot be found or reached after diligent effort, a person to whom the inventor has assigned or agreed in writing to assign the invention or who otherwise shows sufficient proprietary interest in the matter justifying such action, may make application for patent on behalf of and as agent for the inventor on proof the pertinent facts and a showing that such action is necessary to preserve the rights of the parties or to prevent irreparable damage; and the Commissioner may grant a patent to such inventor upon such notice to him as the Commissioner deems sufficient, and on compliance with such regulations as he prescribes. 25 USC §118.

70. Whenever through error a person is named in an application for patent as the inventor, or through error an inventor is not named in an application, and such error arose without any deceptive intention on his part, the Commissioner may permit the application to be amended accordingly, under such terms as he prescribes. 35 USC §116.

71. Death or incapacity of inventor. Legal representatives of deceased inventors and of those under legal incapacity may make application for patent upon compliance with the requirements and on the same terms and conditions applicable to the inventor. 35 USC §117.

72. Exclusive rights in copyrighted works. Subject to sections 107 through 120, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

- (1) to reproduce the copyrighted work in copies or phonorecords;
- (2) to prepare derivative works based upon the copyrighted work;
- (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
- (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
- (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural

works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and

(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission. 17 USC § 106.

73. Limitations on exclusive rights: Fair use. Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include--

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and substantially of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors. 17 USC § 107.

74. Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press.

75. § 302. Duration of copyright: Works created on or after January 1, 1978. (a) In General. copyright in a work created on or after January 1, 1978, subsists from its creation and, except as provided by the following subsections, endures for a term consisting of the life of the author and seventy years after the author's death.

(b) Joint Works. In the case of a joint work prepared by two or more authors who did not work for hire, the copyright endures for a term consisting of the life of the last surviving author and seventy years after such last surviving author's death.

(c) Anonymous Works, Pseudonymous Works, and works Made for Hire. In the case of an anonymous work, a pseudonymous work, or a work made for hire, the copyright endures for a term of ninety-five years from the year of its first publication, or a term of one hundred years from the year of its creation, whichever expires first. 17 USC §302.

A work is "created" when it is fixed in a copy or phonorecord for the first time; where a work is prepared over a period of time, the portion of it that has been fixed at any particular time constitutes the work as of that time, and where the work has been prepared in different versions, each version constitutes a separate work. 17 USC § 101.

A work is "fixed" in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. 17 USC § 101.

76. 17 USC § 201(a).

77. 17 USC § 201(a). A "joint work" is a work prepared by two or more authors with the intention that their contribution be

merged into inseparable or interdependent parts of a unitary whole. 17 USC § 101. Cf. A "collective work" is a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole. 17 USC § 101.

78. Ownership of copyright. Works Made for Hire. In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

79. Recordation of transfers and other documents. Conditions for Recordation. Any transfer of copyright ownership or other document pertaining to a copyright may be recorded in the Copyright Office if the document filed for recordation bears the actual signature of the person who executed it, or if it is accompanied by a sworn or official certification that it is a true copy of the original, signed document. 17 USC § 205(a).

80. 17 USC § 202.

81. Melville B Nimmer & David Nimmer, Nimmer on Copyright, § 5.03 (Sept. 2000).

82. The work for hire definition was stealthily amended with the Satellite Home View Improvement Act, § 1011(d), to add "sound recordings," Intellectual Property 8 (ISBA, May 2000); as of September 2000 Congress is considering restoring the work-for-hire definition to its previous text.

83. Baltimore Orioles, Inc. v Major League Baseball Players Ass'n, [805 F2d 663](#), 231 USPQ 673 (7th Cir. 1986), cert. denied, [480 U.S. 941](#) (1987).

84. Manning v Parkland College, 55 USPQ 1666 (CD IL, 2000). The Parkland College Policy Manual stated: "Members of the staff who develop materials...shall have complete copyrights to such materials and all royalties which may accrue from such materials unless [Parkland College] and the staff member have previously entered into an agreement for [Parkland College] to support a project for the specific purpose of producing such materials. Under such an agreement, [Parkland College] shall hold the copyright." Id., 55 USPQ 1667. Parkland's director of human resources testified that this 1980s policy related to faculty members who write and edit textbooks. Id.

85. Registration and infringement actions. (a) Except for actions for infringement of copyright in Berne Convention works whose country of origin is not the United States and an action brought for a violation of the rights of the author under section 106A(a), and subject to the provisions of subsection (b), no action for infringement of the copyright in any work shall be instituted until registration of the copyright claim has been made in accordance with this title. 17 USC § 411.

In any action under this title, other than an action brought for a violation of the rights of the author under section 106A(a) or an action instituted under section 411(b), no award of statutory damages or of attorney's fees, as provided by sections 504 and 505, shall be made for--

(1) any infringement of copyright in an unpublished work commenced before the effective date of its registration; or

(2) any infringement of copyright commenced after first publication of the work and before the effective of its registration, unless such registration is made within three months after the first publication of the work. 17 USC § 412.

86. "Trade secret" means information, including but not limited to, technical or non-technical data, a formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, or list of actual or potential customers or suppliers, that: (1) is sufficiently secret to derive economic value, actual or potential, from not being generally known to other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under

the circumstances to maintain its secrecy or confidentiality. Illinois Trade Secrets Act, 765 ILCS 1065.

87. Minor defined. A minor is a person who has not attained the age of 18 years. A person who has attained the age of 18 years is of legal age for all purposes except as otherwise provided in the Illinois Uniform Transfers to Minors Act. Ill. Rev'd Stat Ch 110-1/2 ¶11-1 (1991).

§3-1. "Minor" means a person 16 years of age or over, and under the age of 18 years, subject to this Act [Emancipation of Mature Minors Act]. §3-2. "Mature minor" means a person 16 years of age or over and under the age of 18 years who has demonstrated the ability and capacity to manage his own affairs and to live wholly or partially independent of his parents or guardian. §5. Rights and responsibilities of an emancipated minor. (a) A mature minor ordered emancipated under this Act shall have the right to enter into valid legal contracts, and shall have such other rights and responsibilities as the court may order that are not inconsistent with the specific age requirements of the State or federal constitution or any State or federal law. 750 ILCS 30 (1999).

88. A minor has no capacity to legally contract, and any agreement the minor makes is voidable. However it is not void, and until and unless repudiated by the minor it is binding on the competent party. The minor may ratify the contract, and thus be bound by it, when he or she reaches the majority age. That a person can vote in federal elections at age 18 does not mandate that state law consider the age of majority for contracts to be 18. Amendment 26th (enacted 1972).

89. Zippo Manufacturing Co. v Zippo Dot Com, Inc., [952 FSupp 1119](#), 42 USPQ2d 1062, 1066, presents a frequently cited jurisdictional analysis for Internet cases. See also CoolSavings.Com Inc. v IQ.Commerce Corp., [53 FSupp 1000](#), 51 USPQ2d 1136 (ND IL 1999); Janmark Inc. v Reidy, 45 USPQ2d 1382 (7th Cir. 1997).

90. Michele Fitzpatrick, "The Evolving E-commerce Education," 3 Silicon Prairie 22 (June 2000) (Published by Chicago Tribune).

91. Lisa Rabasca, "Avoiding Contractual Pitfalls," 31 APA Monitor on Psychology 60 (Feb. 2000); "Contract Law for Consultants," 16 OD Practitioner 9 (December 1984) & 17 OD Practitioner 11 (June 1985).

92. Amy Dockser Marcus. MIT Students, "Lured to New Tech Firms, Get Caught in a Bind: They Work for Professors Who May Also Oversee their Academic Careers," Wall Street Journal A1 (June 24, 1999). William Koffel, a MIT journal, could not complete a homework assignment--to design a new system to speed delivery of Web pages--because he was bound under a non-disclosure agreement as an employee at a company co-founded by a different MIT professor. Id. MIT actively encourages professors and students to turn university-developed technologies into businesses; MIT holds equity in about a third of the 150 businesses its Technology Licensing Office has helped create. Id. However, with the soaring number of students working at startups, some see the institution "making up policy as we go along." Id. Koffel's professor concluded that his future policy will be "If you sign an NDA, you take this class at your own risk." Id.

93. Seymour Sarason, "Some Features of a Flawed Educational System," 127 Daedalus 1 [Education yesterday, education tomorrow], Fall 1998. The American Association of University Professors finds its faculty members concerned about major threats to the profession, including "a growing conviction on the part of boards and administrations that shared governance is an antiquated notion from a past when the slow pace of change allowed for more democracy in higher education." Letter to the membership from Mary Burgan, General Secretary, Aug. 1999.

94. "American democracy is not scientific: it encourages and values diversity rather than consensus." Karen Seashore Louis, "A light feeling of chaos: Educational Reform and Policy in the United States," 127 Daedalus 13 [Education yesterday, education tomorrow], Fall 1998.

95. *"Why are liberal arts college science students so successful? Many of the features of a liberal arts education... combine to create a very comfortable and supportive environment for learning. These features include the low student-faculty ratio and the involvement of faculty in the whole education of the students--laboratory sections as well as classes. The faculty are much more available for casual interactions with undergraduates than are university professors, whose time is fragmented by expectations that they contribute to the diverse missions of a university: undergraduate education, graduate education, creation of new knowledge, developing a national and international presence, protection of the university's intellectual property through patents, public service, and perhaps even aiding the economic development of their state." Thomas Cech, "Science at liberal arts colleges: A better education?," 128 Daedalus 195 [Distinctively American: The residential liberal arts college], Winter 1999.*

96. *Conditions for patentability; novelty and loss of right to patent. A person shall be entitled to a patent unless--*

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or ...

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other. 35 USC § 102.

Daniel Academy

Intellectual Property Acknowledgment (sample draft-for-discussion-and-change)

The Academy provides significant resources to aid its students, faculty, and staff in their tasks. Sometimes inventions, copyrightable works, trademarks, or other intellectual property result. Applying for a patent and commercializing an invention or other intellectual property requires substantial investments. Recognizing the risks of commercialization, the primary educational purpose of the Academy, and the support of funding sources, the Academy has established and I now agree to its Intellectual Property Policy.

In consideration of my participation in projects funded in part by the Academy, access to or use of the Academy's facilities or equipment, or other valuable consideration, I have read the Academy's Intellectual Property Policy and agree to its terms. I will sign any papers reasonably necessary and reasonably cooperate to implement my agreement to this policy.

The Academy distinguishes between Personal and Academy Research. **Personal Research** is conducted without any financial support from the Academy; is carried out in the inventor's own discretionary time, without requiring release time from the duties of the Academy; requires no significant assistance from Academy faculty, staff, or students, unless shown to be in their discretionary time; and makes no significant use of Academy facilities or equipment.

Academy Research is not Personal Research, and includes but is not limited to activities funded, in whole or in part, by the Academy, inventive activity performed under the auspices of the Academy, or research which utilizes Academy facilities or equipment. Research need not require extensive time or materials; significant discovery may occur in a "flash of insight."

Program Research is Academy Research which has been funded, in whole or part, by a particular program, center, agency,

or the like.

All inventions arising from Academy Research must be reported to the Academy's Intellectual Property Director as promptly as possible. **No public disclosure (i.e., journal manuscript submission, lecture, news release, Internet posting, etc.) of the invention may be made until an Invention Disclosure has been submitted by the inventor(s) to the Intellectual Property Director and disclosure is authorized.** Significant patent rights may be lost if there is any disclosure or attempts at commercialization before the invention is evaluated by the Academy and appropriate United States and foreign patent applications filed. All copyrightable material, mask works, and other intellectual properties arising from Academy Research must also be timely reported to the Intellectual Property Director.

The Academy encourages team innovation and invention. To facilitate long term management of inventions potentially involving several inventors in our mobile academic community, the Academy will own any intellectual property resulting from Academy Research. If the inventors and authors have not provided the Intellectual Property Director with a valid agreement regarding ownership and income distribution from the intellectual property, then if there is net annual income the Academy will give each person identified as an inventor or author a proportional share of the income from that intellectual property, prorated by the number of person-quarters/semesters/credits for which each identified inventor or author was formally registered in Academy activities from which the intellectual property resulted. No payments will be made until the net annual income is greater than *[One Hundred Dollars]* and no payment will be made to any given person until the payment due is greater than *[Twenty Dollars]*.

Any intellectual property resulting solely from Personal Research belongs exclusively to the inventor or author. Any intellectual property resulting from Academy Research belongs exclusively to the Academy, which will administer it; I retain a fair use academic freedom license to communicate subject to prompt disclosure to the Academy Intellectual Property Director and compliance with the Academy's Intellectual Property policy. The inventor(s) or author(s) collectively retain rights to Ninety Percent (90%) of the net income from Academy Research, the Academy retains rights to Ten Percent (10%).

This Academy Intellectual Property Agreement replaces all previous agreements relating in whole or in part to the same or similar matters which I may have entered into with the Academy. This Agreement may not be modified or terminated, in whole or in part, except in writing signed by an authorized representative of the Academy. This agreement is binding on myself, my estate, heirs and assigns. I have no agreements with or obligations to others in conflict with this Agreement. If I may be a minor in my residence state, the state of my parents' or guardians' residence, or my Academy's state, I will also promptly obtain the agreement and signature of my parent or guardian.

Name Signature

Social Security Number Birthdate

Citizenship: * USA * _____ Age _____

* Student * Faculty * Staff * Other:

Date _____

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Sample College

Draft Intellectual Property Policy

1. **Purpose.** Sample College provides significant resources to aid its students, faculty, and staff in their tasks. Sometimes inventions, copyrightable works, trademarks, or other intellectual property result. This Intellectual Property Policy has been adopted by Sample College to clarify responsibilities and rights regarding such intellectual property.
2. **Introduction.** The principal rights governing technical innovations, inventions, discoveries, writings, creative works, and other information are known as "intellectual property" rights. These rights are derived primarily from legislation granting patent, copyright, trademark, and integrated circuit mask work protection.
3. A **patent** is a grant issued by a government and gives the inventor(s) the right to exclude all others from making, using, or selling the invention within that country for a limited term, often twenty years from application date. In the United States, patents may be granted for useful devices and processes, for plants, for animals, and for designs. To receive a patent, the invention must be new, useful, and nonobvious. Government patent evaluation usually takes two to five years. Patent applications are often difficult and expensive, and often remain vulnerable to challenge. A patent makes no money by itself; it only gives the right to exclude others from practicing the particular invention claimed in the patent.
4. Current United States law grants a **copyright** to "original works of authorship fixed in a tangible medium of expression." While patents protect "ideas," copyright protects the particular "expression" in the work. Copyrightable works include literary, musical, video, film, sound recordings, photographs, sculpture, computer programs, and architectural plans. Mask works are used to create semiconductor chips, and may be seen as the physical embodiment of a computer program. A copyright owner generally has the right to reproduce the work, prepare derivative works, distribute physical copies to the public by sale or other ownership transfer, to rent, to publicly perform, and to publicly display the work.
5. A **trademark** is any word or symbol which distinguishes the goods and services of one source. In the United States, trademark rights are generally acquired through use. Additional rights may be obtained by registration of a trademark.
6. A **trade secret** is something generally not known to others which gives the owner a commercial advantage. To protect a trade secret it should not be disclosed unless to persons who have explicitly agreed to maintain the confidentiality of the secret and not to disclose the secret to unauthorized others.
7. Intellectual property rights are territorial. The grant of a United States patent or trademark generally confers no rights in a foreign country. A US copyright may be accepted in a foreign country to the same extent that a national's copyright is. However foreign copyright laws may provide less protection than US laws. To obtain strong **foreign protection**, filings with several foreign authorities are usually necessary.
8. **Policy objectives.** Sample College recognizes that patents on inventions arising from college participation serve several important functions, including:
 - * Encouraging invention and rewarding inventors;
 - * Insuring potential scientific and social advantages from an invention may be fully realized;
 - * Insuring protection and control of inventions in the public interest; and
 - * Generating income for the funding of additional College and Program research.

9. Sample College encourages the development and dissemination of copyrightable material by college participants. The College seeks to protect the traditional academic freedom of its participants, to encourage the wide distribution of scholarly works, and to balance the rights of authors and sponsors.

10. The College has adopted this Intellectual Property Policy, which applies to all inventions, copyrightable material, and mask works of participants in college activities, including faculty, staff, and students.

11. Definitions

a. **Invention** is any original, new, art, discovery, contribution, finding, or improvement whether or not patentable, and all related knowhow.

b. **Inventor(s)** are those persons who materially contributed to the conception or to the reduction to practice of the invention. When in doubt be inclusive, initially reporting to the Intellectual Property Director all likely inventors.

c. **Copyrightable work** includes without limitation literary, computer program, musical, dramatic, pantomime, choreographic, pictorial, graphic, sculptural, motion picture, audiovisual, sound recording, architectural work; compilation, collective work, derivative work, joint work. Copyrightable Work may include Mask Work.

d. **Author(s)**. Those persons who materially contributed to the creation, expression, or reduction in a tangible means of expression of a copyrightable work, of a mask work, or of other intellectual property. When in doubt be inclusive, initially reporting to the Intellectual Property Director all likely authors.

e. **Intellectual Property** includes inventions, patents, copyrightable works, mask works, trademarks, trade secrets, and such other similar intangible properties as may by law be defined.

f. **Personal Research** is conducted without any financial support from the college; is carried out in the inventor's own discretionary time, without requiring release time from the duties of the college; requires no significant assistance from college faculty, staff, or students, unless shown to be in their discretionary time; and makes no significant use of college equipment or facilities, excluding personal-paid residential/dormitory space.

g. **College Research** is not Personal Research, and includes but is not limited to activities funded, in whole or in part, by the college, inventive activity performed under the auspices of the college, or research which utilizes college facilities or equipment. Research need not require extensive time or materials; significant discovery may occur in a "flash of insight."

h. **Program Research** is College Research which has been funded, in whole or part, by a particular program, center, agency, or the like.

i. **GrantX Research** is Program Research which has been funded, in whole or part, by the GrantX.

j. **Cross-Institutional Research** is College Research which this college has formally authorized be conducted with another college or other organization.

k. **Net Annual Income**. Income from an intellectual property remaining after deductions for costs, payments, and obligations directly attributable to review, application, patenting, marketing, licensing, protecting, registering, and administering the intellectual property.

l. **Intellectual Property Director**. *Vice-President for* _____, (name) _____, (location) _____.

m. The **Intellectual Property Committee** is available to help resolve complications regarding ownership and related matters of non-Personal Research. *This Committee is composed of three Sample College faculty appointed by the college President, the Intellectual Property Director, and the General Counsel of the college, who acts as chair. Alternatively a [Local Sample College Governance Body] may serve as the IP Committee; participation of counsel is recommended. Sample College may prefer the IP Director to chair, rather than General Counsel.*

12. **Disclosure.** All inventions arising from College Research must be reported as promptly as possible. **No public disclosure (i.e., journal manuscript submission, lecture, news release, etc.) of the invention may be made until an Invention Disclosure has been submitted by the inventor(s) to the Intellectual Property Director and disclosure is authorized.** Significant patent rights may be lost if there is any disclosure or attempts at commercialization before the invention is evaluated by the college and appropriate United States and foreign patent applications filed. All copyrightable material, mask works, and other intellectual properties arising from College Research must be timely reported to the Intellectual Property Director.

13. Intellectual property resulting solely from Personal Research may be reported to the Intellectual Property Director at the discretion of the inventor(s) or author(s). Inventors and authors should use reasonable judgment if classifying a work as resulting solely from Personal Research. To reduce misunderstandings and potential disputes, works with feasible possibilities for commercialization should be promptly reported.

14. **Ownership.** Any intellectual property resulting from Personal Research belongs exclusively to the inventor or author, and the college has no rights in it. Such intellectual property may be reported at the inventor's or author's discretion, if the inventor or author desires to use the college's intellectual property services. Selected college services are available to any college participant after an explicit Request and Agreement is signed. Although there may be a cost for the use of these services and resources by an inventor or author, use does not give the college any rights in intellectual property resulting solely from Personal Research.

15. Any intellectual property identified in writing by both the inventor/author and the Intellectual Property Director as resulting from College Research belongs exclusively to the college, and will be administered according to this policy. Any intellectual property reasonably deemed, after notice and due process, by the Intellectual Property Committee as resulting from College Research shall be treated as belonging exclusively to the college, and will be administered according to this policy.

16. The *GrantX* encourages team innovation and invention. To facilitate long term management of inventions potentially involving several inventors in our mobile academic community, the college will own any invention or other intellectual property resulting from GrantX Research. If the inventors or authors have not provided the Intellectual Property Director with a valid agreement regarding distribution of income from the intellectual property, then if there is net annual income from that intellectual property the college will give each person identified as an inventor or author a proportional share of the income, prorated by the number of person-quarters/semesters/credits for which each identified inventor was formally registered in Sample College activities from which the intellectual property resulted. No payments will be made until the net annual income is greater than [One Hundred] Dollars and no payment will be made to any given person until the payment due is greater than [Twenty Dollars]. *[These minimal payment levels should be adjusted to reflect the administrative costs at the college.]*

17. The inventor(s) or author(s) collectively retain rights to Ninety Percent (90%) of the net income from GrantX Research. The college retains rights to Five Percent (5%) of the net income from GrantX Research; the GrantX retains rights to Five Percent (5%) of the net income from GrantX Research. The Sample College and GrantX income rights survive any intellectual property transfer from the inventor(s) or author(s).

18. The college share of Income resulting from Cross-Institutional Research shall be shared among colleges in proportion to the number of person-quarters/semesters/ credits for which each identified inventor was formally registered in the college

activities from which the intellectual property resulted.

19. The **Intellectual Property Committee** is available to help resolve complications regarding ownership and related matters of non-Personal Research. Subject to the general administrative hearing and appeal procedures of the college, after notice and due process the decision of the Intellectual Property Committee is final.

20. **Distribution of Income.** The inventor(s) or author(s) will receive Ninety Percent (90%) of the net income from the intellectual property.

21. GrantX share of the intellectual property proceeds will be used to support the program of promoting collegiate inventors and innovators and to defray program grants and expenses.

22. **Administration of College-Owned Intellectual Property.** Applying for a patent and commercializing an invention or other intellectual property require substantial investments. All intellectual property owned by the college will be first reviewed by the Intellectual Property Committee, in consultation with the inventor(s)/ author(s) and, if necessary, with experts in the field of the invention. The committee may consult with patent counsel for an opinion on the patentability of the invention. The college's General Counsel, in consultation with the inventor(s) and other members of the Intellectual Property Committee, in his or her sole reasonable discretion will determine whether a patent application should be filed.

23. If within six (6) months of an inventor's complete disclosure to the Intellectual Property Director the college's General Counsel makes no commitment to apply for a patent, then ownership of the invention will revert to the inventor(s), although the college (5%), the funding program (variable), and GrantX (5%) retain their net income rights to the invention. This recognizes that the invention has benefited from the resources of the college and the funding program.

24. If within six months of an author's disclosure to the Intellectual Property Director the college's General Counsel makes no commitment to apply for copyright registration, then ownership of the copyright will revert to the author(s), although the college, the funding program, and GrantX retain their net income rights to the copyrightable work.

25. College-owned works should generally prominently bear a proper copyright notice:

Copyright © Sample College 20xx. All Rights Reserved.

Where 20xx is the year of first publication or general unrestricted distribution. Unpublished works should have notices: Copyright © Sample College (unpublished). All Rights Reserved.

26. **Copying of Works Owned by Others.** College participants should observe the law, including intellectual

property and copyright law. Plagiarism (using another's writings or ideas as one's own) is both illegal and a violation of college rules. Unauthorized use of another's copyrightable work, even if the source is cited, may be a copyright violation.

27. Copyright fair use permits, under limited circumstances, unauthorized use of a copyrighted work, generally for criticism, comment, teaching, scholarship, and research. Factors determining whether a use is fair or infringing include 1) the purpose and character of the use, including whether commercial or nonprofit educational; 2) the nature of the copyrighted work; 3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and 4) the effect of the use upon the potential market for or value of the copyrighted work.

28. **Trade Secret Policy.** College participants will safeguard and keep confidential the trade secrets they encounter while engaged in College Research. Necessary disclosures may be made, after written authorization from the Intellectual Property Director, to those persons who have submitted to the Intellectual Property Director a signed Confidentiality and

Nondisclosure Agreement.

29. College State Majority Age. In [Illinois] as of September 2000, the age of majority, when a person may lawfully make and be held to agreements, is [Eighteen Years.]

Particular Program Research

30. **GrantX.** Applicants for grants from GrantX must agree to and sign the GrantX Intellectual Property Agreement, as a precondition to receiving a grant. If an applicant is a minor in any of his or her home residence state, the state of his or her parents or guardians residence, or the state of the college, the GrantX Intellectual Property Agreement must also be signed by the applicant's parent or guardian.

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Ratified by Sample College Body _____ Dated _____, 200__

Sample College Invention Disclosure

Confidential

Invention Title: _____

By: _____

Grant _____

Date: _____ 200__

To record Conception, describe: a) Circumstances of conception; b) purposes and advantages of the invention; c) Description; d) Sketches; e) Consequences; f) Possible novel features; g) Closest known prior art.

To record Reduction to Practice, describe: h) Any previous disclosure of the conception; i) Construction; j) Consequences; k) Tests; l) Test results. Include sketches and photos where possible.

Abstract.

Purpose.

Background.

Advantage.

Detailed Description.

Novel Features.

Construction Details.

Results.

Drawings.

Inventor(s) _____

Residence Address _____

College/ Employer _____

Dated _____ 200__

Other Inventors or Possible Inventors Involved:

Others School/Employer _____

Specific Role _____ K&K

Witnessed and Understood By _____

Date _____ 200__

GrantX

Intellectual Property Acknowledgment

Sample College provides significant resources to aid its students, faculty, and staff in their tasks. Sometimes inventions, copyrightable works, trademarks, or other intellectual property result. Applying for a patent and commercializing an invention

or other intellectual property requires substantial investments. Recognizing the risks of commercialization, the primary educational purpose of the college, and the support of funding sources, the college has established and I now agree to its Intellectual Property Policy.

In consideration of my participation in projects funded in part by the GrantX, access to or use of the college's facilities or equipment, or other valuable consideration, I have read the college's Intellectual Property Policy and agree to its terms. I will sign any papers reasonably necessary and reasonably cooperate to implement my agreement to this policy.

The college distinguishes between Personal and College Research. **Personal Research** is conducted without any financial support from the college; is carried out in the inventor's own discretionary time, without requiring release time from the duties of the college; requires no significant assistance from college faculty, staff, or students, unless shown to be in their discretionary time; and makes no significant use of college equipment or facilities, excluding personal-paid residential/dormitory space.

College Research is not Personal Research, and includes but is not limited to activities funded, in whole or in part, by the college, inventive activity performed under the auspices of the college, or research which utilizes college facilities or equipment. Research need not require extensive time or materials; significant discovery may occur in a "flash of insight." **Program Research** is College Research which has been funded, in whole or part, by a particular program, center, agency, or the like.

All inventions arising from College Research must be reported to the college's Intellectual Property Director as promptly as possible. **No public disclosure (i.e., journal manuscript submission, lecture, news release, etc.) of the invention may be made until an Invention Disclosure has been submitted by the inventor(s) to the Intellectual Property Director and disclosure is authorized.** Significant patent rights may be lost if there is any disclosure or attempts at commercialization before the invention is evaluated by the college and appropriate United States and foreign patent applications filed. All copyrightable material, mask works, and other intellectual properties arising from College Research must also be timely reported to the Intellectual Property Director.

GrantX encourages team innovation and invention. To facilitate long term management of inventions potentially involving several inventors in our mobile academic community, the college will own any intellectual property resulting from GrantX Research. If the inventors and authors have not provided the Intellectual Property Director with a valid agreement regarding distribution of income from the intellectual property, then if there is net annual income the college will give each person identified as an inventor or author a proportional share of the income from that intellectual property, prorated by the number of person-quarters/semesters/credits for which each identified inventor or author was formally registered in Sample College activities from which the intellectual property resulted. No payments will be made until the net annual income is greater than *[One Hundred Dollars]* and no payment will be made to any given person until the payment due is greater than *[Twenty Dollars]*.

Any intellectual property resulting solely from Personal Research belongs exclusively to the inventor or author. Any intellectual property resulting from College Research belongs exclusively to the college, which will administer it. The inventor(s) or author(s) collectively retain rights to Ninety Percent (90%) of the net income from GrantX Research, the college retains rights to Five Percent (5%) , and GrantX retains rights to Five Percent (5%).

This GrantX Agreement replaces all previous agreements relating in whole or in part to the same or similar matters which I may have entered into with the Sample College or GrantX. This Agreement may not be modified or terminated, in whole or in part, except in writing signed by an authorized representative of the Sample College and GrantX. This agreement is binding on myself, my estate, heirs and assigns. I have no agreements with or obligations to others in conflict with this Agreement. If I may be a minor in my residence state, the state of my parents' or guardians' residence, or my Sample College's state, I will

also promptly obtain the agreement and signature of my parent or guardian.

Intell. Prop. il. 1



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Member Comments

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