

**2015-2016 University Committee on Copyright  
Report to UNC-Chapel Hill Faculty Council  
April 15, 2016**

**Membership**

Lee Bollinger, University Counsel, Ex-Officio; Victoria Ekstrand, Journalism, Michael Fern, Computer Science; Deborah Gerhart, Law; Anne Gilliland, University Library; Dave Hansen, Law Library; Sandra Hughes-Hassell, Library Science; Carol Hunter, University Library; Paul Jones, Journalism; Anne MacNeil, Music; Steven Melamut, Law Library; Kayla Peck, Graduate representative; Jackie Quay, Office of Technology Development; John Sherer, UNC Press, Ex-Officio; and David Weber, Medicine.

**Charge**

The Committee is responsible for monitoring trends in such areas as institutional or consortial copyright policies, changes in copyright ownership and guidelines for fair use; identifying areas in which policy development is needed; monitoring the application of University policies and guidelines regarding ownership and use of copyrighted or licensed scholarly works; assisting in identifying educational needs of the faculty and others related to compliance with copyright policies and guidelines and to advise on appropriate ways to address those needs.

**Executive Summary**

Over the last six months the UNC Chapel Hill University Copyright Committee has reviewed how the University's Copyright Policy addresses ownership of software, particularly software created by its faculty. Based on the Committee's discussion over the last several months and review of the ways in which peer institutions have addressed challenges surrounding the issue, the Committee proposes a policy amendment (**see Attachment A**) addressing two related issues: the interplay between the Patent Policy and Copyright Policy, and the commercialization of open-source licensing of software. Special commendation should be given to Anne Gilliland, Dave Hansen, and Steven Melamut for extensive work on this amendment.

**Overview of the Issue**

Faculty-created software raises special challenges under the Copyright Policy. First, there are questions about how software should be classified for purposes of determining ownership (i.e., as a traditional scholarly work, or as something else). Second, because software may be both copyrightable and patentable, there is some uncertainty about which of the University's Copyright and Patent policies applies with respect to works of software and to whom copyright and patent rights are allocated. Third, faculty-created software increasingly presents questions with the Office of Technology Development ("OTD") about how to balance commercialization goals with the benefits of "open source" software licensing. Specifically, there is a need for greater clarity about when open source licenses may be applied and who may apply them.

## Current UNC and System Policies on Intellectual Property Ownership<sup>1</sup>

The UNC Chapel Hill Copyright Policy identifies four categories of copyrighted works created by faculty, but with different allocations of ownership:

1. Traditional Works or Non-Directed Works
  - a. Owned by faculty creator
2. Traditional Works or Non-Directed Works Involving Exceptional Use of University Resources
  - a. Owned by the University
3. Directed Works
  - a. Owned by the University
4. Sponsored or Externally Contracted Works
  - a. Unless the grant or contract requires ownership by the University, the work is owned by the faculty creator

In contrast to the rules for ownership under the copyright policy, the patent policy on ownership is more straightforward: as a condition of employment, an employee is required to assign any and all inventions to the University subject to some relatively narrow exceptions. The patent policy also provides that OTD may release patent rights to the inventor if OTD reviews and determines that the invention is not commercially viable or is not patentable.<sup>2</sup> The UNC System policy similarly provides that the University may waive patent rights after a review.<sup>3</sup>

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<sup>1</sup> See the three policies linked to here:

- [The UNC Chapel Hill Copyright Policy.](#)
- [UNC Chapel Hill Patent & Invention Policy](#)
- [UNC System Patent and Copyright Policy](#)

<sup>2</sup> The UNC Chapel Hill University Patent and Invention Policy provides that:

“VI. University Release of University-Owned Inventions

1. The University Office of Technology Development, after consultation with the inventor(s), may in its sole discretion cause the University’s rights to an Invention to be released to the inventor of such Invention (or the inventor’s designee) if any one of the following conditions is met:

- (a) the Office of Technology Development has determined that there is limited commercial opportunity for such Invention, OR
- (b) the Office of Technology Development determines that the Invention is not patentable or does not warrant further evaluation as to patentability.

The Office of Technology Development will make such determination within 90 days of receipt of an adequate disclosure unless otherwise agreed in writing between the inventor(s) and the University.”

<sup>3</sup> The UNC System Patent and Copyright Policy only allows for waiver or rights if the invention was not made on university time or using university resources or if “[p]ursuant to these policies and to its patent procedures, a constituent institution, after consultation with the inventor, may in its discretion and upon such terms as it deems appropriate, cause its rights to the discovery or invention, if any, to be released and waived to the inventor if the institution is convinced that the discovery or invention is clearly one that is non-patentable, that it does not warrant

Finally, the UNC System policy provides that “In cases where an invention or creation is subject to protection under both patent law and copyright law, if the Institution elects to retain title to its patent rights, then the inventor/creator(s) shall assign copyright to the Institution and the Institution shall be compensated in accordance with the royalty provisions of the Institution's patent policy and procedures.”<sup>4</sup>

### **Application to Software**

Under the current Copyright Policy, the ownership and licensing of software as a specific category of intellectual property is not explicitly addressed. A review of UNC Chapel Hill’s peer institution policies shows that while some other institutions are also silent on the application of IP policies to software, a significant proportion of such policies do address software. Some of those policies merely acknowledge that software may be subject to those policies and identity which University Offices can give more guidance. Others are more direct, creating special rules about who owns and may license software created at the university.<sup>5</sup>

### **Recommendation**

Based on the Committee’s discussion over the last several months, and in light of our review of the challenges noted above and our review of the ways in which peer institutions have addressed these challenges, we recommend that the Copyright Policy be amended to address the open source licensing of software works to which both the Patent and Copyright policies apply.

Report submitted by Carol Hunter, Deputy University Librarian, chair

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further evaluation as to patentability, or if the discovery or invention has been returned to the institution after negative evaluation by the institution's agent(s).”

<sup>4</sup> UNC Policy Manual, 500.2, XII (p. 9),  
<http://www.northcarolina.edu/policy/index.php?pg=dl&id=2787&format=pdf&inline=1>.

<sup>5</sup> The full textual comparison of these policies was submitted to the Committee at its October 2015 meeting and is posted on the Committee Sakai page.

## Attachment A – Proposed Policy Changes (in bold)

### V. Copyright Ownership

[...]

#### A. Works Created by Faculty or EPA Non-Faculty Employees.

[...]

##### 1. Traditional Works or Non-Directed Works.

[...]

##### (b) Ownership.

- (i) The creator of such a work shall own the work unless it is a Traditional or Non-Directed Work Involving Exceptional Use of University Resources, a Directed Work, a Sponsored or Externally Contracted Work requiring University ownership of copyright, or a Work for Hire (defined below.) As a condition of employment, faculty and EPA non-faculty creators of a Traditional or Non-Directed Work shall be deemed to have granted the University a non-exclusive, non-transferable, royalty-free license to use the work for the University’s own educational or research use unless such a license will impede scholarly publication or similar activities.
- (ii) (ii) Traditional Works or Non-Directed Works for which authorship cannot be attributed to one or a discrete number of authors but instead result from simultaneous/sequential contributions over time by multiple authors shall be owned by the University.
- (iii) **For a Traditional or Non-Directed Work that meets the definition of an “invention” as defined in the UNC Chapel Hill Patent and Invention policy<sup>6</sup> and whose copyright is owned by the creator under (i) above:**

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<sup>6</sup> Invention is defined in the UNC Chapel Hill Patent and Invention Policy as “an invention or discovery of any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, including compounds, prototypes, biological materials, software, complex multimedia works and tangible research results, provided that such invention or discovery (1) is patentable or commercializable, or (2) is obligated under a sponsored research agreement, or (3) is created to support the administrative operations of the University.”

- a. **If the creator intends to release the invention under an irrevocable open-source license, the creator shall promptly inform the Office of Technology and Development of this intention before distributing the invention under such a license.**
- b. **OTD shall have 30 days from the date on which it was notified of the creator’s intention to decide whether the University shall retain rights.**
  - i. **If OTD takes no action within 30 days, it shall be deemed to have conducted the review described under Section VI (1) of the University Patent and Invention Policy and determined that the University’s rights to the invention shall be released to the creator.**
  - ii. **If OTD takes no action within 30 days, or if OTD conducts the appropriate review and notifies the creator that the University shall not retain rights, the University shall elect not to retain patent or copyright rights and shall release those rights to the creator on the condition that the creator actually make the work available under an irrevocable open-source license consistent with the purpose and mission of the University and of the type that complies with the definition of “open source” as defined by the Open Source Initiative.**

## V. Copyright Ownership

[...]

### A. Works Created by Faculty or EPA Non-Faculty Employees.

[...]

#### 4. Sponsored or Externally Contracted Works.

[...]

##### (b) Ownership.

- (i) Unless the agreement expressly requires copyright ownership by the University or conveyance of rights to a third party, the creator of a Sponsored or Externally Contracted Work shall own the work. As a condition of employment, faculty and EPA non-faculty creator-owners of a Sponsored or Externally Contracted work shall be deemed to have granted the University a non-exclusive, non-transferable, royalty-free license to use the work for the University's own educational or research use.
- (ii) The University will own a Sponsored or Externally Contracted Work where the relevant agreement requires copyright ownership by the University or conveyance of rights to a third party, in which case the University will convey rights to the third party as required. In such cases the creator of the copyrighted work shall be required to report the work to the Office of Technology Development, using such forms and procedures as that Office develops. Where a proposed sponsored research agreement or research grant will require that copyrighted works be owned by the University or a third party, the Office of Research Services should inform the relevant Principal Investigator of the copyright provisions and secure his or her consent to such provisions before the agreement is signed or the grant accepted.
- (iii) For a Sponsored or Externally Contracted work that meets the definition of an "invention" as defined in the UNC Chapel Hill Patent and Invention Policy and whose copyright is owned by the creator under (i) above:**
  - a. if the creator intends to release the invention under an irrevocable open-source license, the creator shall promptly inform the Office of Technology and Development (OTD) of this intention before distributing the invention under such a license.**
  - b. OTD shall have 30 days from the date on which it was notified of the creator's intention to decide whether the University shall retain rights.**
    - i. If OTD takes no action within 30 days, it shall be deemed to have conducted the review described under Section VI (1) of the University Patent and Invention Policy and determined that the University's rights to the invention shall be released to the creator.**

- ii. **If OTD takes no action within 30 days, or if OTD conducts the appropriate review and notifies the creator that the University shall not retain rights, the University shall elect not to retain patent or copyright rights and shall release those rights to the creator on the condition that the creator make the work available under an irrevocable open-source license consistent with the purpose and mission of the University and of the type that complies with the definition of “open source” as defined by the Open Source Initiative.**