

University of Delaware

Policies and Procedures Manual

Section: Research

Policy Number: 6-9

Policy Name: Computer Software

Date: July 15, 1986

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I. PURPOSE

The objectives of this policy and the associated administrative procedures are:

- A. to preserve traditional University practices and privileges with respect to the publication of scholarly works;
- B. to encourage faculty, staff, and students to develop software;
- C. to foster the free and creative expression and exchange of ideas and comments;
- D. to establish principles and procedures for equitably sharing income derived from computer software produced at the University in those cases where the University has an interest in the material; and
- E. to protect the University's assets and imprimatur.

II. POLICY

A. Policy Statement

It is the policy of the University that all rights in computer software shall remain with the creator of a work except where

1. the work is a work made for hire and the copyright vests in the University under copyright law (Title 17, USC, Copyrights, sections 101 and 201); or
2. the work is commissioned by the University; or
3. creation of the work entailed significant use of University personnel, funds, or facilities; or
4. other arrangements are required by the University's contractual obligations; or
5. it is otherwise agreed upon in writing between the University and the creator of the work.

Exceptions to this policy may be granted by the Provost of the University or by his designees.

B. Explanation of Terms

1. Copyright

a. Copyrightable works

Under the federal copyright law, copyright subsists in "original works of authorship" which have been fixed in any tangible medium of expression from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Among others, these works include, but are not limited to, software, computer programs, programmed instructional material, and the like.

b. Scope of copyright protection

1. Definition of material protected by copyright laws - Copyright protection does not extend to any idea, process, concept, discovery, or the like but only to the work in which it may be embodied, illustrated, or explained. For example, a written description of a manufacturing process is copyrightable, but the copyright prevents only unauthorized copying of the description; the process described can be freely copied unless it enjoys some other protection, such as a patent.
2. Rights of copyright owner - Subject to various exceptions and limitations provided for in the copyright law, the copyright owner has the exclusive right to reproduce the work, prepare derivative works, distribute copies by sale or otherwise, and display or perform the work publicly. Ownership of copyright is distinct from the ownership of any material object in which the work may be embodied. For example, if one purchases a videotape, one does not necessarily obtain the right to make a public showing for profit.

2. Works made for hire

Under the Copyright Act, "a work prepared by an employee within the scope of his or her employment" is a work for hire. This is a broad definition. Also, certain commissioned works are works for hire if the parties so agree in writing. The employer by law is the "author," and hence the owner, of the works for hire for copyright purposes. University ownership in a work for hire may be relinquished only through written agreement signed by an authorized official of the University. Such written release shall be

granted upon request if the University clearly has no basis for claiming rights.

In interpreting the work-made-for-hire clause, the University shall recognize the obligation of faculty members to publish scholarly works and shall follow the University's long-standing practices regarding copyrights and royalties (or other income) pertaining to works which result from author-initiated, individual effort. The copyright policy (Policy Manual, Policy No. 6-7, II, Section B.1.) states that "In accordance with established custom at institutions of higher learning, copyright ownership of textbooks, manuscripts, nonprint materials, produced by the individual effort of the author, as well as any royalties therefrom, accrue to the benefit of the author." There are some exceptions and qualifications to this general rule, which are given in the copyright and software policies respectively.

3. Computer software

"Computer software" means a set of computer programs and the manuals or documents associated with these programs. "Program" is defined in the copyright law as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result" (Copyright Act, 94 Stat. 3015, 3028, amending 70 U.S.C. sections 101, 117).

C. Originator's Responsibility

Much of the software generated at the University is of interest only to the originator or may be of wider interest for reasons of scholarship only. In such cases, the material may have no market potential, and a formal determination of rights is not required. Where there is a possibility of producing income from the software, the originator must notify the Vice Provost for Research (or other delegated University official) when the commercial potential becomes apparent. Such timely notice preserves the rights of the individual to the software in cases where the University has no equity. If further development of a computer program materially changes the circumstances governing the University's equity in software, the Vice Provost for Research must be notified.

To safeguard the individual's and the University's interests in the software, a copyright notice must be placed on the software when it is distributed to others, whether or not the software seems to be marketable at that time.

D. Administrative Responsibility

The administration of the policy set forth in this document is the responsibility of the Provost of the University. The Provost, however, has delegated day-to-day administration to the Vice Provost for Research, Office of Vice Provost for Research, with the understanding that no departures from the stated principles of this policy will be made without the Provost's prior concurrence.

E. Establishment of Procedures

Procedures to implement this policy shall be established and, as necessary, modified from time to time by the Provost or his designee. Sufficient time will be allowed for public comment and review before any material modifications to these procedures are implemented. Such procedures and modifications shall be issued as (a) separate document(s) attached to the policy.

III. PROCEDURES

A. General Principles

In keeping with the general aims and charter requirements of the University, the generation of computer software by faculty, staff, and students is strongly encouraged. Whenever possible, property rights in such material shall vest in the originator of the work. In some cases, such rights shall reside in the University. In either case, income derived from the work may be shared by the University and the originator depending on the circumstances.

It is now widely recognized that the University resources employed in the production of software may not be limited to the use of some job time, an office, a library, and a secretary. Computer facilities and other special equipment owned or leased by the University are often involved in the modern multimedia publication, and such work frequently requires release time, special funding, and the assistance of University-employed specialists. For such material, prepared with substantial or special University support, exclusive ownership of the product by the originator may be inequitable. There is a need at this time to establish both procedures and a policy that go beyond protection of the traditional faculty interests in scholarly production and that takes account of the current U.S. copyright law. The procedures presented in this document will be followed in determining ownership and income rights related to software developed at the University.

B. Definitions

The following definitions apply to terms used in these procedures:

1. "Computer" means a device capable of accepting information, applying prescribed processes to the information, and supplying the results of those processes.
2. "Computer software" means a set of computer programs and the manuals or documents associated with the programs. "Program" is defined in the copyright law as "a set of statements to be used directly or indirectly in a computer in order to bring about a certain result."
3. "University personnel" means University faculty, staff, and students.
4. "Originator" means one or more persons contributing to the creation of computer software.

C. Determination of Rights

A large volume of software is being generated at the University, and a larger volume is expected in the future. Much of this material is of interest only to the originator or may be of wider interest for reasons of scholarship only. In either case, the material may have no market potential, and a formal determination of rights is not required. If any such material is to be supplied to others, it must be marked with a copyright notice before distribution to protect the interests of the originator and the University. Such marking will facilitate billing the recipients for nominal packaging and shipping costs, and will also preserve rights if the material later has market value. In the latter case, rights will be determined according to these procedures.

Rights in marketable software will be determined by the circumstances surrounding its creation. Generally the originator will be most familiar with these circumstances, and for that reason he or she should notify the Vice Provost for Research as early as possible, with particular attention to

1. identifying the sponsor, if any, of the project or program;
2. stating whether the activity resulting in development of the software is within the originator's normal activities and responsibilities with respect to his or her University employment;
3. indicating the extent to which personnel support, software, equipment, or physical facilities provided by the University were used in the work which led to the software;
4. indicating whether the software was developed under terms of a consulting agreement between the originator and a client; and
5. noting the existence of any agreement between the originator and the University with respect to the software.

Based on the information supplied by the originator and such other relevant information as may be available, the Vice Provost for Research

shall determine the extent to which the University has rights to the material by applying the procedures of section D, below.

If it is determined by the Vice Provost for Research that the University has rights in the software, the originator agrees to assign all right to, title to, and interest in said software to the University in consideration of the Policy on Computer Software and the compensation provided by his or her employment remuneration. The Vice Provost for Research will promptly determine whether it is appropriate to file either a patent or a copyright application on the software and will initiate such action as required.

Software developed by University personnel under terms of consulting contracts fall within the provisions of this section C. University personnel may not use University facilities for work related to consulting agreements without prior written approval from the appropriate dean or director. It is the responsibility of University personnel to advise potential consultation clients of their University obligations prior to entering into consulting agreements. (See Faculty Handbook, Sect. III-H, Outside Employment.)

D. Rights based on Categories of Work

1. Work Conducted Independently by University Personnel

Software that is created wholly at the expense of the originator and without use of University facilities, equipment, materials, or specialists is the property of the originator unless section D5 applies. The originator of such work shall grant the University royalty-free rights to copy and use the work for its normal nonprofit research and teaching activities. At the originator's request, the Provost will state in writing that the University has no interest in the software.

At the sole option of the originator and with the University's prior assent, such software may be assigned to the University.

2. Work Financed with Funds Administered by the University or Which has Involved the Significant Use of University Facilities, Equipment, Materials, or Specialists and in Which the University and the Originator are the Sole Parties in Interest

Such software shall be promptly evaluated by the Vice Provost for Research for copyrightability or patentability and then

- a. released to the originator if found not to be of interest to the University; or
- b. if of interest, covered by patent in the name of the inventor or by statutory copyright in the name of the University by

the Vice Provost for Research. The Vice Provost for Research shall thereafter attempt to bring the software into appropriate use internally, externally, or both to derive maximum benefits therefrom for all parties in interest and shall have sole responsibility for marketing the software. This responsibility may be delegated to or shared with the originator or other member of University personnel when appropriate. (See also section D5 for treatment of works within the scope of the originator's employment.)

3. Work Financed Wholly or in Part by Government Funds

The University is obligated to report to the appropriate government agency all software derived from work which has had any financial support from the government of the United States, for determination of the government's rights and interests. This determination may result in

- a. the government deciding that the public interest requires that the software be disclosed in the open literature; or
- b. the government acquiring and reserving to itself principal or exclusive rights, in which case exploitation of the software rests with the government; or
- c. the government releasing the software to the University, in which case the University shall follow the procedures of paragraph D2, above.

Irrespective of which of these alternatives is elected by the government, the government usually retains rights to a royalty-free, nonexclusive, irrevocable license throughout the world under any copyright or patent which may be issued on the software, or to free use of the software for government purposes; and rights to the software granted by the University are subject to prior retained government rights. If the University releases the software to the originator, the release shall specify that the originator agrees to convey to the University such rights as the University may need to fulfill its obligation to the government.

4. Work Financed Wholly or in Part by Industrial, Philanthropic, or Other Organizations, or by Individuals, Under Contracts or Written Agreements with the University

Rights with respect to software in this category are governed by the terms of the individual contracts or agreements, and the principal investigator is responsible for informing co-workers of their rights and obligations under such contracts or agreements before initiation of the work. Software which is not required to be

assigned by contractual terms shall be processed by the University under the procedures of section D2, above.

5. Work Made for Hire

Public Law 94-553 (Oct. 19, 1976) Appendix I defines a "work made for hire" as "a work prepared by an employee within the scope of his or her employment," or as certain specially ordered or commissioned works covered by a written agreement. The law further states that such works are the property of the employer. It is clear that many works considered under sections D1 and D2, above, will fall within the scope of the originator's employment and will therefore be the property of the University unless released to the originator by a written document.

Such written release shall be granted upon request if the University clearly has no basis for claiming rights. In such cases the University retains the royalty-free right to copy and use the work for its normal nonprofit research and teaching activities.

In interpreting the "work made for hire" clause, the University shall recognize the obligation of faculty members to publish scholarly works and shall follow the University's long-standing practices regarding copyrights and royalties (or other income) pertaining to works which result from author-initiated, individual effort: "In accordance with established custom at institutions of higher learning, copyright ownership of textbooks, manuscripts, nonprint materials, produced by the individual effort of the author, as well as any royalties therefrom, accrue to the benefit of the author." (Policy Manual, Policy No. 6-7).

E. Arbitration of Disputes

If the University and the originator cannot agree with respect to any of their respective rights or obligations hereunder, such dispute shall be submitted for determination to an arbitration panel of three members chosen from the University community and consisting of a member named by the originator, a member named for the University by the Provost, and a chair selected by mutual agreement of these two nominees. The decision of a majority of this panel shall be final and binding upon both the originator and the University.

F. Distribution of Income

Income which is received by the University from the sale or licensing (leasing) of software in which the University has an interest (see section D

above) shall be shared with the originator unless the University retains the entire right to and interest in the software.

Sharing of income shall be governed by the following considerations:

1. Income received by the University from software covered by the policy shall be used first to reimburse the University for all copyrighting, patenting, and marketing costs. Income which exceeds reimbursable expenses shall be divided one-third to the originator, one-third to the unit, and one-third to the University, unless some other arrangement has been made by the parties in interest. Such an arrangement should be made as soon as commercial potential becomes apparent.
2. When software is developed under contract with an outside agency as provided in sections D3 and D4, the distribution of income shall be in accordance with the terms of the contract. In the event that any contract with an outside agency provides for the University to receive unrestricted funds from developed software, such funds shall be distributed as provided in F1, above.
3. If royalties or other income accrue under an agreement granting licenses for software developed independently by two or more originators, the distribution of income among the originators shall be determined by a University committee, using the procedure of F1 as a guide. This committee, which is composed of the Provost, the Vice Provost for Research, and the appropriate dean or director, shall utilize legal, accounting, and scientific consultants as deemed necessary in making decisions. If one or more of the originators involved disagrees with the decision of the committee, the matter shall be resolved by arbitration as provided in section E.
4. The originator's share of income generated by software developed by the joint efforts of two or more originators shall be divided equally among them unless an agreement specifying a different distribution is filed with the Vice Provost for Research before work is started.
5. The University's and units' shares of income received under section D2 and D5 shall be used for research or educational purposes.

G. Other Procedures

1. Whenever software that is determined to be the property of the University is released to the originator, the University
 - a. shall retain the royalty-free right to copy and use the software for its normal nonprofit teaching and research purposes and
 - b. may claim a share in any income received by the originator, after the deduction of his or her expenses, as a condition of such release. Under this provision the University shall not be entitled to a share of income which would reduce the

originator's share to an amount less than that provided for under section F.

2. Whenever the University determines that it has no proprietary interest in software covered by the policy, or whenever the University releases software to an originator, the originator agrees not to use the University, or the University's name, in the exploitation of such software without prior written approval by the University.
3. The originator agrees to execute all documents, including assignment of the software to the University or its designee, required for legal disposition of rights relative to such materials.
4. It is the originator's responsibility to provide the University with a mailing address through which he or she can be reached. This address, as well as any other communications made according to the procedures stated in this document, must be sent to the Vice Provost for Research. If the University is unable to reach the originator through this address and no forwarding address is provided, the originator waives the right to be notified.
5. The originator is required to affix the words "Copyright 19-- by the University of Delaware. All rights reserved." to all copyrightable software to which the University has rights.
6. The originator warrants that all software he or she develops is his or her original work and is free from infringement of existing copyright. If the originator incorporates copyrighted materials in such software, he or she shall provide proof of release from the copyright holder prior to such inclusion. Further, the originator agrees to take no action or enter into any agreements or arrangements under which any other person or organization may develop rights in such software without the prior written approval of the University.
7. When rights to software are vested in the University, the University has the right to modify the software either for internal use or for licensing purposes when such modification shall be deemed necessary and when the originator is for any reason unable or unwilling to make such modifications within 90 (ninety) days of notification that modifications are necessary. In this event, the originator may request that one copy of the unmodified software be retained in the University's archival files.
8. When rights to software are vested in the University, the University has the right to have foreign-language versions prepared and copyrighted.
9. When two or more originators working at two or more institutions (one being the University of Delaware) contribute to a work, ownership and income distribution shall be determined by the terms of the agreement between the institutions, or if no agreement exists, by the procedures of section H.

H. Other Situations

Applications for computers and requirements for software are steadily evolving and increasing. It is probable that not all situations which may arise are adequately covered in the foregoing procedures. In such cases the Vice Provost for Research, in consultation with the originator of the work in question and the appropriate dean or director, shall establish any required new or modified procedures. Such procedures shall become effective and shall be incorporated in this document upon approval by the Provost. (See section E, "Establishment of Procedures," above).

Some cases not clearly covered by these procedures may require ad hoc treatment. (In these situations adding the procedures to this document may not be necessary.) As an example, books which include software will clearly have to be treated as special cases. Determination of copyright ownership and income distribution will depend on such factors as the nature of the work, i.e., textbooks, research, etc; the relative significance of text vs. software; the originality of the software; and the utility of the software independent of the text.

Other works or systems which include software may require similar ad hoc treatment. In all such cases the ownership and income distribution factors shall be determined by the Vice Provost for Research in consultation with the originator and the appropriate dean or director.

APPENDIX

Excerpts from Public Law 94-553 - Oct. 19, 1976

(Title 17, U.S. Code, Copyrights)

17 USC 101. 101 Definitions

As used in this title, the following terms and their variant forms mean the following:

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 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 for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords,

pictorial illustrations, maps charts, tables, editorial notes, musical arrangements, answer material 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 201. 201 Ownership of copyright

- a. INITIAL OWNERSHIP. Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are co-owners of copyright in the work.
- b. 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.

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