

Intellectual Property

Part One - Context

Intellectual property¹ has moved from obscurity to centre stage as a bargaining issue in the last five years. This has happened because university and college administrators have decided to make commercial research an institutional priority. To advance this project, employers are attempting to eliminate long-standing intellectual property rights of academic staff.

Tradition

Traditionally, academic staff have enjoyed ownership rights in the intellectual property that they create. This model of ownership protects academic freedom by giving academic staff personal control over the development and use of their ideas. This reflects an understanding that academic concerns, rather than commercial ones, are paramount at universities and colleges in Canada.

This model is now under attack. Employers, at the behest of Industry Canada, are engaged in a systematic national campaign to transfer intellectual property ownership to themselves from academic staff. Industry Canada and administrators view individual ownership and its concomitant protection of academic freedom as a hindrance to commercialization.

Bargaining Climate

The ability of employers to push damaging new intellectual property language is facilitated by:

Technology Transfer Offices - These offices (also known as industrial liaison offices) are funded in part by Industry Canada and provide expertise and encouragement to employer negotiating teams on intellectual property issues.

Complacency of Academic Staff - Many staff members take for granted their existing intellectual property rights or they wrongly believe that this issue is not relevant to them because they do not engage in research that is patentable. As a result, some staff members are willing to trade off intellectual property rights for salary increases or benefit improvements.

1 Intellectual Property is a term applied to any creation of the mind that can be legally owned. Copyright, which protects literary and artistic work, and patents, which protect inventions, are the two forms of intellectual property most relevant to academic staff.

To protect academic staff, and the larger role of universities and colleges as places of open and unfettered research and learning, associations must resist the pressure to surrender the intellectual property rights of their members.

Part Two - Good Intellectual Property Language

A good intellectual property article will ensure that:

- academic freedom has primacy over commercial interests;
- intellectual property terminology is defined in a concise, accurate and inclusive way;
- academic staff own the intellectual property that they create;
- intellectual property rights in the collective agreement cannot be superseded by outside parties;
- academic staff are free to publish their research and to disclose any risks to public health and safety that they become aware of in the course of their work;
- the Association's role as exclusive bargaining agent for members of the bargaining unit is protected;
- the requirement to disclose intellectual property to the employer only arises upon a decision to commercialize the property;
- the employer has no interest in intellectual property developed on a member's own time;
- the sharing of revenue between academic staff and the employer from commercialized intellectual property is fair and equitable;
- the Intellectual Property Committee, if any, has equal association/ employer representation and does not preclude timely access to the collective agreement's grievance arbitration process;
- the creator of intellectual property has control over its commercialization;
- if included in the agreement, "extraordinary resources" language (which entitles the employer to an ownership or revenue share in intellectual property if resources beyond those provided in a typical academic environment contribute to its creation) is narrowly defined and does not lead to mandatory commercialization or employer expropriation of intellectual property;
- if included in the agreement, "university license" language (which entitles the employer to use academic staff developed intellectual property), has a narrow scope and does not lead to *de facto* employer expropriation of intellectual property; and
- all academic staff, including contract academic staff, must be covered by the language.

Associations across Canada have negotiated excellent language on intellectual property. Some examples are listed below.

Introductory Statement

Issue: Many intellectual property articles contain a few brief introductory clauses that set out the purpose of the language and state the principles upon which the parties agree to approach the subject.

Dangers: Employer negotiating teams are tabling introductory language that promotes a commercial mission for universities and colleges.

Advice: Ensure that introductory language clearly states that academic concerns, especially academic freedom, take precedent over commercial concerns with respect to intellectual property. The Ryerson collective agreement contains such language.

Sample Language:

B. 2 *The parties agree that ownership of intellectual property is recognized as an integral part of academic freedom.*

B. 3 *No member shall be obliged to engage in the commercial exploitation of their work, nor to provide commercial justification for the direction of their research.*

Ryerson University Faculty Association - in force until June 30, 2005

Definition

Issue: Terms such as “intellectual property”, “copyright” and “patent” have specific legal meaning that should be defined in the collective agreement.

Dangers: Employers are tabling language that creates new meanings for established terms or excludes certain sub-categories of works (notably course material) from ownership by academic staff.

Advice: Ensure that definitions in the collective agreement are inclusive and correspond to common legal usage. If the employer is permitted, for example, to exclude course material from the definition of copyright, then language providing member ownership in all copyright material is significantly weakened. The issue of ownership of course material is explored more fully in the CAUT Bargaining Advisory on On-line Education (available at http://www.caut.ca/english/publications/bargaining/200101_onlineed.asp). The Saint Mary's agreement provides a good definition of intellectual property generally and of copyright specifically.

Sample Language:

15.4.01 *Intellectual property means any result of intellectual or artistic activity, created by an Employee, that can be owned by a person. This includes, but is not limited to, inventions, publications, computer software, works of art, industrial or artistic designs, as well as other creations that can be protected under patent, copyright, or trademark laws.*

Saint Mary's University Faculty Union - September 1, 2003 to August 31, 2006

- 15.4.18 *Copyright applies to all original scholarly, scientific, literary, dramatic, musical and artistic and recorded works. Such works include but are not limited to: books, texts, articles, monographs, glossaries, bibliographies, modular posters, study guides, laboratory manuals, correspondence course packages, interactive textbooks, course work delivered on the Internet, multimedia instructional packages, syllabi, tests and work papers, lectures, musical and/or dramatic composition, choreographic works, cartographic materials, unpublished scripts, films, filmstrips, charts, transparencies, other visual aids, video and audio tapes and cassettes, computer programs; live video and audio broadcasts, programmed instructional materials, drawings, paintings, sculptures, photographs, and other works of art.*

Saint Mary's University Faculty Union - September 1, 2003 to August 31, 2006

Ownership

Issue: Academic staff ownership of intellectual property is a central component of academic freedom and must be preserved. Although, with the exception of most copyright material, staff ownership has never been absolute, existing models (including the sharing ownership of patents with administrations) have given staff members the power to use and disseminate their research as they see fit, including placing it directly into the public domain. Industry Canada and employers view this arrangement unfavourably, because it places academic integrity and autonomy above commercial opportunity.

Dangers: Employers are tabling language to strip academic staff of ownership rights. This initiative is most pronounced with respect to patentable ideas, but is now also starting to encroach on course material. Sometimes this effort involves a direct seizure of a member's work. Other times it is more subtle - member ownership is guaranteed, unless a decision is made to commercialize the idea, in which case the employer assumes ownership. This subtler approach is particularly pernicious when combined with "fine print" language that deems a decision has been made to commercialise if the staff member utilizes university or college resources in the development of the intellectual property.

Advice: Preserve or strengthen existing academic staff ownership rights. Watch for proposals that purport to provide individual ownership rights at first glance, but actually corral staff members down a path that results in the surrendering of such rights to the administration. The sample language below from Laurentian, Wilfrid Laurier and Ryerson, respectively provides for complete and shared member intellectual property ownership and complete member ownership of course material.

Sample Language:

Complete Member Ownership

- 4.71 (2) *The Board waives, disclaims and abandons any interest in or claims to any invention, improvement, design or development made by a Member or Members except where this has*

occurred with the use of the Employer's funds, personnel or equipment in which instance the conditions set out in Paragraph 4 hereof shall apply. Unless otherwise provided in this Article, any invention or any patent arising therefrom shall be the sole property of the inventor.

- 4.71 (4) *Where an invention, improvement, design or development was made by Members with the use of the Employer's funds, personnel or equipment the Members shall sign an Agreement with the University before an application for patent is filed by them. This Agreement shall provide that the Employer shall assign all rights, title and interest in the invention, improvement, design or development to the Members, subject to the University and the Members sharing equally in the "net proceeds" as used in this Article shall mean the net profits derived from licensing or commercialization of the patented product, equipment or process after deduction of all expenses incurred in patent searches, for obtained patent protection and for maintaining said protection in Canada and in other countries.*

The Laurentian University Faculty Association - (2002-2005)

Shared Ownership

36.2 Ownership and Rights of All Intellectual Property

36.2.1 All intellectual property is owned by the Members who create it, except in those cases:

- (a) *where there is a written contract to the contrary between the creator, the University, and/or a third party which assigns the ownership rights of the intellectual property to the University or the third party; or*
- (b) *where the University provides funds, resources, and facilities to the Member beyond those required for the payment of the Member's salary and benefits, for the provision of a normal academic environment in which to work, and for the performance of a regular workload by the Member, in which case, the Member shall agree to share ownership rights to the intellectual property with the University.*

Wilfrid Laurier University Faculty Association - 1 July 2002 to 30 June 2005

Course Material Ownership

- C. 5 *The University agrees that all rights in the copyright to lectures and all intellectual property prepared by and/or delivered by a faculty member in association with his/her teaching assignment(s) shall vest in the member.*

Ryerson Faculty Association in force until June 30, 2005

Third Party Agreements

Issue: Third parties (the private sector or government departments, for example) often attempt to impose their own intellectual property arrangements on universities and colleges as a condition of providing research money to academic staff.

Dangers: The terms and conditions that third parties attempt to impose are often to the detriment of the interests of academic staff and override collective agreement rights. University and college administrations are willing to overlook this in their eagerness to receive money.

Advice: Ensure that third parties cannot override the intellectual property protection contained in the collective agreement.

Sample Language:

15.4.04 *The Employer shall not enter into any agreement with a third party which alters or abridges, or has the effect of altering or abridging, the intellectual property rights of an Employee without the Employee's written consent.*

Saint Mary's University Faculty Union - September 1, 2003 to August 31, 2006

The Right to Publish and Right to Disclose Risks

Issue: The right of academic staff to freely disseminate the results of their work, a cornerstone of academic freedom, conflicts with the need for secrecy that typically cloaks private sector research.

Dangers: This desire for secrecy has led the external sponsors of university and college research to impose, as a condition of funding, contractual restrictions on the publication rights of academic staff. Employers understand this desire and are tabling proposals that eliminate the (albeit weak) existing language on the right to publish.

Advice: Ensure that the right of academic staff to publish the results of their work and to disclose any risks arising from the research is enhanced, not eliminated.

Sample Language:

Existing language on the right to publish is weak. Language on the right to disclose risks is non-existent. The following, from the CAUT model clause, can form the basis for your proposals on this matter.

2.1 *The University is an open environment for the pursuit of scholarly work. Academic freedom and critical inquiry depend on the communication of the findings and results of intellectual investigation. The Employer shall not interfere with a member's freedom to publish the results of scholarly inquiry and research, except for limitations imposed by duly constituted university research ethics boards.*

The Employer shall refuse to enter into or administer any research agreement or grant that allows the funders or other third party to infringe on members' freedom to publish the results of research, except in extraordinary circumstances where, to statutorily protect intellectual property, a maximum publication delay of two months from the conclusion of a research project may be accepted.

- 3.1 *Members shall have an absolute right to publically disclose information about risks to research participants or the general public or threats to the public interest that become known in the course of their research.*

CAUT Model Clause on Intellectual Property (May 2004)

The Role of the Association

Issue: The role of the academic staff association as the exclusive representative of the members of the bargaining unit must be respected in the intellectual property article. This right, in particular reference to intellectual property, has recently been re-affirmed in the British Columbia arbitration decision *Re University of British Columbia and University of British Columbia Faculty Association (2004) 125 L.A.C. (4th) 1*.

Dangers: Employers are circumventing this right by striking individual deals with members on intellectual property matters.

Advice: Ensure a role for the association in all intellectual property dealings between the employer and members. Many agreements do not yet have such language, Mount Saint Vincent is one of the few available examples. The CAUT Model Clause on Intellectual Property should also be consulted as a resource.

Sample Language:

- 27.2 *Copyright is owned by the members who create intellectual property, except in either of the following cases:*
- 27.2.1 *where there is a written contract to the contrary between the member, the Employer, and/or a third party which assigns some or all ownership rights of the intellectual property to the Employer or the third party. The member shall negotiate such an agreement with the assistance of a representative of the Faculty Association;*

Mount Saint Vincent University Faculty Association - July 1, 2003 to June 30, 2007

Disclosure

Issue: When agreements require the sharing of ownership or revenue from commercialized intellectual property, the employer has a valid expectation of notification of the existence of such property.

Dangers: Beware of employer proposals that require the disclosure of intellectual property upon its creation, not its commercialization. The purpose of such language is to coerce the member into commercializing the property.

Advice: Ensure that the requirement to disclose arises only upon a decision to patent, or preferably, to commercialize such property.

Sample Language:

27.2 *Each employee is required to give the University notice of any patent application made by the employee together with a statement as to whether, in the employee's opinion, University facilities, personnel, or services have been used in the development of the patent.*

University of Saskatchewan Faculty Association - July 1, 2002 to June 30, 2005

Own Time

Issue: Employers have no claim to intellectual property developed by members outside of their working time.

Dangers: Employers are tabling language that encroaches on this principle.

Advice: Ensure that employers cannot claim an interest in intellectual property developed on a member's own time.

Sample Language:

27.1 *The University has no claim in respect of rights in any invention developed without the use of University facilities, support personnel, or services and on the employee's own time.*

University of Saskatchewan Faculty Association - July 1, 2002 to June 30, 2005

Revenue Sharing

Issue: Considerable public resources are invested in the development of intellectual property by academic staff and it is fair that any revenue derived from the commercialization of such property be shared with the employer.

Dangers: Employers are claiming an inequitable share, or are offering to share only in exchange for the surrender of member ownership rights.

Advice: Ensure that the sharing of revenue between academic staff and the employer from commercialized intellectual property is fair and equitable and is not contingent on the member surrendering ownership rights.

Sample Language:

- IV.7.1(a) i) *The employer waives, disclaims and abandons, any interest in or claim to, any invention, improvement, design or development made by a member without any use of the employer's funds, services, facilities, support and/or technical personnel. Demonstration of use of the employer's services or facilities by members lies with the employer. Members are required to give the employer immediate notice of any application made by them to legally protect intellectual property prior to filing such an application.*
- ii) *Ownership of inventions, improvements, designs or developments shall vest in the member(s) who developed it. The employer will share equally any revenue generated as a result of commercialization of any invention, improvement in design or development made by a member with the use, in whole or in part, of the employer's funds, services, facilities, support and/or technical personnel. The use of normal academic facilities as defined in Article IV.1.3 shall not be considered use of the employer's services or facilities. Demonstration of use of the employer's services or facilities by members lies with the employer.*

Trent University Faculty Association - July 1, 2002 to June 30, 2005

Intellectual Property Committee

Issue: Because intellectual property is a relatively complex issue, a number of collective agreements provide for the establishment of a specialized intellectual property committee.

Dangers: Employers attempt to control these committees through inequitable representation structures and to use them to circumvent the grievance arbitration of intellectual property disputes.

Advice: Ensure equal employer and association membership on the committee. Ensure that the committee does not exclude intellectual property disputes from timely access to grievance arbitration.

Sample Language:

Article 4.73 - Committee on Patents and Copyright

1. *The parties agree to create a continuing Committee on Patents and Copyright, which shall be*

CAUT Bargaining Advisory - Number 14, September 2004

composed of two (2) individuals appointed by the Board and two (2) Members appointed by the Association, with the Chairpersonship alternating between the Board's representatives and the Association's representatives at each successive meeting.

2. *The Committee shall meet at least twice annually to:*

- a) Conduct such business as is referred to it.*
- b) Consider strategies for marketing inventions, improvements or discoveries.*
- c) Recommend to the Joint Committee on the Administration of the Agreement any proposals for modifications or changes in the patents and copyright articles of this Collective Agreement.*
- d) Mediate any disputes arising out of Articles 4.71 and 4.72 in accordance with Paragraph 3 below.*

3. *Grievance and Arbitration*

For the purposes of this Agreement, any grievance by a Member pertaining to Articles 4.71 and/or 4.72 shall be handled in accordance with the following procedure:

- a) The Member, within three (3) weeks of the event giving rise to the grievance or the date on which the Member knew or reasonably should have known of such event if that date is later, shall present a grievance to the Vice-President, Academic.*
- b) Within two (2) weeks of receipt of the grievance, the Vice-President, Academic shall refer the matter to the continuing Committee on Patents and Copyright and inform the Association of such grievance. If the Vice-President, Academic fails to refer the matter to the continuing Committee on Patents and Copyright within the time limits, the Members shall be deemed to have succeeded in their grievance and the results thereof shall be binding on the university.*
- c) The continuing Committee on Patents and Copyright, within one (1) month of the receipt of the grievance, shall make a recommendation for the resolution of the grievance. The time limits may be extended by mutual agreement. If the committee fails to make a recommendation within the time limits, the Vice-President, Academic may act as in d) below.*
- d) The Vice-President, Academic within one (1) week of the receipt of the recommendations of the continuing Committee on Patents and Copyright or within one (1) week of the end of the time limits for action by the Committee shall render the Committee's proposal in the matter and communicate it in writing to the parties concerned.*

- e) *If the proposal of the Vice-President, Academic rendered pursuant to Paragraph 3d) above does not resolve the grievance, the matter may be submitted to binding arbitration by one (1) arbitrator in accordance with the grievance and arbitration procedures of this Collective Agreement.*

The Laurentian University Faculty Association - (2002-2005)

Commercialization

Issue: Commercialization refers to the process of developing for private sale intellectual property created by a member. The commercialization process includes securing legal protection for the property and developing prototypes, production methods and marketing plans. Commercialization must be seen as only one of a variety of ways in which the ideas of members can be disseminated to the public at large.

Dangers: Employers are proposing language that makes commercialization the only acceptable manner to disseminate the ideas developed by academic staff.

Advice: Ensure that commercialization is not mandatory and that the member retains control over the commercialization process.

Sample Language:

34.04 *Commercialization - 34:04 A member who has made, discovered or developed an invention, improvement or discovery to which clause 34:03 (b) applies, shall have the sole right to decide:*

- (a) *whether in consultation with the University to seek a patent at all or to allow the public use of his/her invention, improvement or discovery; and*
- (b) *whether in consultation with the University and by what means and on what terms to patent, produce or market the invention, improvement or discovery,*

University of Windsor Faculty Association - July 1, 2001 to June 30, 2004

Extraordinary Resources

Issue: Many intellectual property articles make a distinction between intellectual property developed with ordinary university resources (typically an office, salary, lab and library use) and that developed with extraordinary resources (anything above and beyond ordinary resources, including special technical assistance, additional funding, etc.). The use of extraordinary resources often has implications for revenue and ownership sharing.

Dangers: Employers are tabling language that ties use of extraordinary resources to mandatory surrender of intellectual property ownership and commercialization.

Advice: If you do not already have this language, do not agree to it. If you have it, ensure that the use of extraordinary resources does not lead to mandatory commercialization and only provides for the sharing of revenue, not ownership.

Sample Language:

- IV.7.1(a) i) *The employer waives, disclaims and abandons, any interest in or claim to, any invention, improvement, design or development made by a member without any use of the employer's funds, services, facilities, support and/or technical personnel. Demonstration of use of the employer's services or facilities by members lies with the employer. Members are required to give the employer immediate notice of any application made by them to legally protect intellectual property prior to filing such an application.*
- ii) *Ownership of inventions, improvements, designs or developments shall vest in the member(s) who developed it. The employer will share equally any revenue generated as a result of commercialization of any invention, improvement in design or development made by a member with the use, in whole or in part, of the employer's funds, services, facilities, support and/or technical personnel. The use of normal academic facilities as defined in Article IV.1.3 shall not be considered use of the employer's services or facilities. Demonstration of use of the employer's services or facilities by members lies with the employer*

Trent University Faculty Association - July 1, 2002 to June 30, 2005

University License

Issue: Universities are often granted a license to make non-commercial use of intellectual property created by academic staff. In the pre-commercialization era this was a legitimate arrangement that reflected the public funding of university and college research. Today, such language presents a threat to members.

Dangers: Employers are seeking to use this language to secure control over course material.

Advice: Exclude from the license any right to make commercial or on-line education use of intellectual property.

Sample Language:

33.22 *License for University Use*

a) *Internal Use*

Employees hereby grant to the Employer a non-exclusive, royalty-free, irrevocable, indivisible and non-transferable right to retain for archival purposes and to use for University internal use only

any Intellectual Property. Such right however shall not include the right to transfer, license, exploit or use the Intellectual Property for distance education or for any purpose other than the internal use of the University.

b) *Course-ware Option*

Employees hereby grant the Employer the first option to acquire or license course-ware, upon terms to be agreed on by the Employee and the Employer. The terms of any licensing agreement shall recognize that the course-ware belongs to the creating Employee and shall articulate the intended use of the course-ware. Any agreement shall be sent to the President of the Faculty Association or his/her delegate to permit consultation prior to execution of the agreement.

Acadia University Faculty Association - July 1, 2003 to June 30, 2007

Part Three - Additional Resources for Negotiating Teams

CAUT Model Clause

In May 2004, CAUT Council approved a new Model Clause on Intellectual Property. This model clause is available on the CAUT website and should be consulted by negotiating teams preparing for bargaining. The model clause can be found at:

http://www.caut.ca/english/member/bargaining/mc_intellectualproperty.asp

CAUT Discussion Paper on Academic Staff and Intellectual Property

CAUT has also produced a discussion paper on the broad context of intellectual property at universities and colleges. This paper should also be reviewed. It can be found at:

<http://www.caut.ca/english/member/papers/intellectualproperty.asp>

CAUT Bargaining Advisory on On-line Education

The rise of on-line education has raised important issues over ownership of course material. CAUT has produced a bargaining advisory on on-line education that includes a discussion of intellectual property issues. This advisory should also be reviewed. It can be found at:

http://www.caut.ca/english/publications/bargaining/200101_onlineed.asp).

Part Four - Final Words

Enormous pressure is being placed on association bargaining teams to surrender long-held intellectual property rights. To protect academic staff, and the larger role of universities and colleges as places of open and unfettered research and learning, it is imperative that this pressure be resisted.

Please do not hesitate to contact CAUT if you would like additional advice and assistance in this area.