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# PAPER TIGERS: RETHINKING THE RELATIONSHIP BETWEEN COPYRIGHT AND SCHOLARLY PUBLISHING

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# PAPER TIGERS: RETHINKING THE RELATIONSHIP BETWEEN COPYRIGHT AND SCHOLARLY PUBLISHING

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## INTRODUCTION

Discontent is growing in academia over the practices of the proprietary scholarly publishing industry. Scholars and universities criticize the expensive subscription fees, restrictive access policies, and copyright

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assignment requirements of many journals. These practices seem fundamentally unfair given that the industries' two main inputs—articles and peer-review—are provided to it free of charge.<sup>1</sup> Furthermore, while many publishers continue to enjoy substantial profit margins, many elite university libraries have been forced to triage their collections, choosing between purchasing monographs or subscribing to journals, or in some cases, doing away with “non-essential” materials altogether.<sup>2</sup> The situation is even more dire for non-elite schools, individual scholars, and members of the general public. There is a growing sense within the scholarly community that change is needed, but change, thus far, has come slowly.<sup>3</sup>

Members of the scholarly community have approached the problem with a number of different “fixes.” The first fix focuses on funding. The *Compact for Open-Access Publishing Equity*,<sup>4</sup> which commits its signatories to underwrite the costs associated with “author-pays” models of open publishing,<sup>5</sup> is an example. The second fix has been to encourage

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1. *Columbia University Senate Endorses Resolution on Open Access and Scholarly Communication*, COLUM. U. LIBR. (Apr. 4, 2005), [http://www.columbia.edu/cu/lweb/news/libraries/2005/2005-04-21.open\\_access.html](http://www.columbia.edu/cu/lweb/news/libraries/2005/2005-04-21.open_access.html) (“[T]echnological, legal, and economic barriers continue to be erected to obstruct or limit open access . . .”); see also Michael Eisen, *The Nature Kerfuffle: Boycott the Business Model, Not the Price*, BERKELEY BLOG (June 10, 2010), <http://blogs.berkeley.edu/2010/06/10/the-nature-kerfuffle-boycott-the-business-model-not-the-price/>; Jennifer Howard, *U. of California Tries Just Saying No to Rising Journal Costs*, CHRON. HIGHER EDUC. (June 8, 2010), <http://chronicle.com/article/U-of-California-Tries-Just/65823/>. See generally *About SPARC*, SPARC, <http://www.arl.org/sparc/about/index.shtml> (last visited Feb. 14, 2011) (“The Scholarly Publishing and Academic Resources Coalition[] is An international alliance of academic and research libraries working to correct imbalances in the scholarly publishing system . . . [namely to] expand the dissemination of scholarly research and reduce financial pressures on libraries.”).

2. See Ad Hoc Comm. on the Future of Scholarly Publ'g, *Modern Language Ass'n, The Future of Scholarly Publishing*, PROFESSION, 2002, at 172, 172–86, available at [http://www.mla.org/resources/documents/issues\\_scholarly\\_pub/repview\\_future\\_pub](http://www.mla.org/resources/documents/issues_scholarly_pub/repview_future_pub); Karla Hahn, *Statement to Scholarly Publishers on the Global Economic Crisis*, RES. LIBR. ISSUES, Feb. 2009, at 6–11, available at <http://publications.arl.org/n8218.pdf>.

3. See *supra* notes 1–2; *infra* notes 4 & 6. It is a commonly held view that academic institutions are particularly slow to change. See, e.g., LAURENCE A. WEINSTEIN, *MOVING A BATTLESHIP WITH YOUR BARE HANDS: GOVERNING A UNIVERSITY SYSTEM* (1993) (stating that effecting change in academic institutions is like “[m]oving a battleship with your bare hands”); Neil R. Kestner, *The Changing Landscape of Academics as Affected by New Communications Technology*, in *The Transition from Paper: Where Are We Going and How Will We Get There?* (R. Stephen Berry & Anne Simon Moffat eds., 2001), <http://www.amacad.org/publications/trans.aspx>.

4. *Compact for Open-Access Publishing Equity*, OACOMPACT.ORG, <http://www.oacompact.org/compact/> (last visited Oct. 16, 2010).

5. In the “author-pays” model of open-access publishing, the costs of publication, sometimes referred to as “publication fees,” are paid for upfront by the author or the author's affiliated institution. See, e.g., *Open Access and Scholarly Communications*, UNC HEALTH SCI. LIBR., <http://guides.hsl.unc.edu/content.php?pid=121319&sid=1262572> (last visited Jan. 8, 2011) (stating that the fund provides support of up to \$1000 per article to faculty, post-

scholars and universities to voluntarily boycott publishers that employ particularly egregious practices. The University of California system's recent standoff with Nature Publishing Group is an example of this second approach.<sup>6</sup> Finally, the third fix has been to promote faculty contributions to open repositories or journals. A number of universities and university departments, including the Massachusetts Institute of Technology and Harvard, have instituted such policies.<sup>7</sup>

The problem, however, is bigger than any of these fixes, for two related reasons. The first is tied to copyright. Many publishers are able to charge expensive fees and limit access largely as a result of their standard practice of conditioning publication on the scholar's transfer of copyright.<sup>8</sup> Even universities with open publishing policy mandates have an escape clause that waives the requirement if it conflicts with the terms of a publisher's copyright transfer agreement.<sup>9</sup>

Why are scholars willing to transfer copyrights to publishers? The answer has to do with the second reason, which is tied to incentives. A scholar's publication record is often the most important, if not the sole, proxy for assessing professional performance.<sup>10</sup> Universities incentivize

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doctoral researchers, and graduate or professional students without grant funds to cover publishing charges that relate to offering free and immediate open access to journal articles); *Open Access Journals: An Overview*, YALE U. SCI. LIBR., <http://www.library.yale.edu/science/oa.html> (last visited Jan. 8, 2011) ("An alternative to subscription revenue is the introduction of direct or indirect author page charges.").

6. See Eisen, *supra* note 1.

7. See *MIT Faculty Open Access Policy FAQ*, SCHOLARLY PUBL'G @ MIT LIBR., <http://info-libraries.mit.edu/scholarly/mit-open-access/open-access-at-mit/mit-open-access-policy/mit-faculty-open-access-policy-faq/> (last visited Jan. 8, 2011); *Open Access Policies*, HARVARD U. LIBR., <http://osc.hul.harvard.edu/policies> (last visited Feb. 23, 2011) ("Scholarly articles provided to the university are stored, preserved, and made freely accessible in digital form in DASH, Harvard University Library's open access repository.").

8. See, e.g., *Retain Certain Copyrights*, U. CAL., [http://osc.universityofcalifornia.edu/manage/retain\\_copyrights.html](http://osc.universityofcalifornia.edu/manage/retain_copyrights.html) (last visited Feb. 15, 2011) ("Traditionally in scholarly publishing, publishers require the transfer of the entire bundle of rights as a condition of publication.").

9. See, e.g., *Open Access Policy Guidelines*, HARVARD U. LIBR., [http://osc.hul.harvard.edu/authors/policy\\_guide](http://osc.hul.harvard.edu/authors/policy_guide) (last visited Mar. 14, 2011); *Request a Waiver*, HARVARD U. LIBR., <http://osc.hul.harvard.edu/authors/waiver> (last visited Mar. 14, 2011).

10. See, e.g., Diane Harley et al., UC Berkeley Ctr. for Studies in Higher Educ., *Assessing the Future Landscape of Scholarly Communication: An Exploration of Faculty Values and Needs in Seven Disciplines*, at ii (Jan. 1, 2010), <http://escholarship.org/uc/item/0kr8s78v.pdf>. ("Advancement in research universities is often described as a 'three-legged stool,' with a 'research' leg that is far more important than the 'teaching' or 'service' legs. Of course, the ratio of these three legs of scholarship can vary somewhat depending on the stage of a scholar's career and the type of institution. The advice given to pre-tenure scholars was consistent across all fields: focus on publishing in the right venues and avoid spending too much time on public engagement, committee work, writing op-ed pieces, developing websites, blogging, and other non-traditional forms of electronic dissemination (including online course activities).").

scholars to publish in the most prestigious journals;<sup>11</sup> prestige enables publishers to require copyright transfers; and copyright ownership enables publishers to restrict access and charge expensive fees. The problem is self-reinforcing.

In this Article, I attempt to neutralize the part of the problem that deals with copyright issues by showing that, at least with respect to copyright, scholarly publishers are “paper tigers”: the legal basis of their copyright claims is less secure than is commonly assumed.<sup>12</sup> In so doing, I hope to offer universities an alternative approach to promoting change within scholarly publishing.

In Part I, I explain how, despite customary practice and common (mis)understanding, universities in fact own the copyrights in faculty-created works under the work-for-hire doctrine.<sup>13</sup> While a common law “teacher exception” existed at one time to exempt teachers from the operation of the work-for-hire doctrine, Congress’ failure to codify the exception in the 1976 revisions to the Copyright Act extinguished the old common law rule. In Part II, I describe how, in response, universities developed various policy “solutions” in an attempt to circumvent the application of the work-for-hire doctrine. However, these solutions fail to satisfy the requirements set forth in the Copyright Act. I argue that while these policy failures have damaging implications for the proprietary scholarly publishing industry, the potential effect on the public’s interest in open access to scholarly works is quite promising. In Part III, I explore some of the implications of this revised understanding of the law and address concerns expressed by some scholars and commentators that faculty-creators will be harmed by university ownership of copyright. Finally, I conclude with a series of recommendations that universities

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11. *Id.*

12. “Paper tiger” translates from the Chinese, “zhi lao hu,” and has been in use for centuries in that country. For one of the earliest English translations, see JOHN FRANCIS DAVIS, *The Chinese: A General Description of the Empire of China and Its Inhabitants*, Vol. 2 (New York: Harper and Brothers, 1836) (“Some of the ordinary expressions of the Chinese are pointed and sarcastic enough. A blustering, harmless fellow they call a ‘paper tiger.’”). More recently, the phrase was famously used by Chairman Mao Tse-tung in a 1957 speech at the Moscow Meeting of Representatives of the Communist and Workers’ Parties, (“[A]ll allegedly powerful reactionaries are merely paper tigers.”), available at [http://www.marxists.org/reference/archive/mao/selected-works/volume-5/mswv5\\_70.htm](http://www.marxists.org/reference/archive/mao/selected-works/volume-5/mswv5_70.htm) (last visited Feb. 16, 2011). The author’s use of the phrase flows from its ancient meaning, not its more recent use as a propagandist slogan.

13. It should be noted that authorship practices and conventions within the university are more varied and complicated than copyright law’s (and this article’s discussion of it) very traditional (or even romantic) conception of authorship will allow. In limiting its scope to a discussion of the legal realities, this article also acknowledges the important cultural, social, and institutional dimensions of faculty authorship. The author acknowledges that significant changes to scholarly publishing will require more than a revised understanding of copyright law.

could undertake to reduce reliance on the proprietary scholarly publishing industry and empower faculty while promoting open access.

## I. WHO OWNS THE COPYRIGHT IN FACULTY-CREATED WORKS?

There is some conflict, or at least ambiguity, about who owns the copyright in faculty-created works. Long-standing academic traditions suggest that scholars hold the rights. At least in part, university bylaws and policies suggest otherwise. In this section, I explore what the Copyright Act and relevant case law says about who owns copyrights in faculty-created works.

### A. *The Copyright Act*

Copyright in a work vests initially in the author or authors of the work.<sup>14</sup> Determining authorship is typically not difficult because, in most cases, the person who creates the work is also considered the author for purposes of copyright ownership.<sup>15</sup> The Copyright Act carves out an important exception, however, for “works made for hire”:<sup>16</sup> “If the work is for hire, ‘the employer or other person for whom the work was prepared is considered the author’ and owns the copyright.”<sup>17</sup>

A work will qualify as a work-for-hire in two situations: (1) when it is prepared by an employee within the scope of his or her employment; or (2) when it is specially ordered or commissioned *and* falls into one of nine enumerated categories<sup>18</sup> *and* the parties have expressly agreed in a signed writing that the work shall be considered a work-for-hire.<sup>19</sup> Since most faculty-created works are not “specially ordered or commissioned” (nor do they satisfy the other two requirements), the relevant scope of inquiry for purposes of this discussion is limited to whether or not

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14. 17 U.S.C. § 201(a) (2006).

15. *See, e.g.*, *Comty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 737 (1989) (“As a general rule, the author is the party who creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection.”).

16. Although the Act uses the phrase “works made for hire,” the slightly shortened “work-for-hire” is used interchangeably by courts and scholars. I will use this abbreviated version throughout this paper.

17. *CCNV*, 490 U.S. at 737 (quoting 17 U.S.C. § 201(b)) (“Classifying a work as a work ‘made for hire’ determines not only the initial ownership of its copyright, but also the copyright’s duration, § 302(c), and the owners’ renewal rights, § 304(a), termination rights, § 203(a), and right to import certain goods bearing the copyright, § 601(b)(1).”).

18. The nine enumerated categories are: (1) a contribution to a collective work, (2) a part of a motion picture or other audiovisual work, (3) a translation, (4) a supplementary work (further defined in the Act), (5) a compilation, (6) an instructional text (further defined in the Act), (7) a test, (8) answer material for a test, and (9) an atlas. 17 U.S.C. § 101 (2006).

19. *Id.*

faculty works are “prepared by an employee within the scope of his or her employment.”<sup>20</sup>

### B. *The Cases*

The Copyright Act does not define “employee” or “within the scope of employment” in the context of works-for-hire. Consequently, four different judicial interpretations emerged.<sup>21</sup>

The U.S. Supreme Court resolved the split between circuits in *Community for Creative Non-Violence v. Reid*.<sup>22</sup> In that case, a non-profit organization, the Community for Creative Non-Violence (CCNV), hired an artist, James Earl Reid, to create a sculpture dramatizing the plight of the homeless for submission to the annual Christmastime Pageant of Peace in Washington, D.C.<sup>23</sup> CCNV provided Reid with a concept and a fairly detailed description of what they wanted, and after negotiating price and cost of materials, Reid created the sculpture.<sup>24</sup> The parties contested copyright ownership in the sculpture when a disagreement arose with regard to its transportation.<sup>25</sup> CCNV planned to take the statue on a tour of several cities to raise money for the homeless; Reid objected, arguing that the material the statue was cast in rendered it too weak to withstand CCNV’s ambitious itinerary.<sup>26</sup> CCNV rejected Reid’s suggestion that CCNV either pay to have a master mold created or have the sculpture recast in bronze, declining to spend more money on the project.<sup>27</sup> As a result, Reid refused to return the sculpture to CCNV,

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20. See *Martha Graham Sch. & Dance Found., Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc.* (*Graham I*), 224 F. Supp. 2d 567, 591 (S.D.N.Y. 2002), *aff’d in part, rev’d in part, and vacated in part*, 380 F.3d 624 (2d Cir. 2004).

21. The first interpretation is that a work is prepared by an employee when the hiring party retains the *right to control* the product. See *Peregrine v. Lauren Corp.*, 601 F. Supp. 828, 829 (D. Colo. 1985), *abrogated by* 490 U.S. 730 (1989); *Clarkstown v. Reeder*, 566 F. Supp. 137, 142 (S.D.N.Y. 1983), *abrogated by* 490 U.S. 730 (1989). The second view is that a work is prepared by an employee within the scope of employment when the hiring party has *actual control* over the creation of the product. See *Brunswick Beacon, Inc. v. Schock-Hopchas Publ’g Co.*, 810 F.2d 410, 414 (4th Cir. 1987), *abrogated by* 490 U.S. 730 (1989); *Evans Newton, Inc. v. Chi. Sys. Software*, 793 F.2d 889, 894 (7th Cir. 1986), *abrogated by* 490 U.S. 730 (1989); *Aldon Accessories Ltd. v. Spiegel, Inc.*, 738 F.2d 548, 551–52 (2d Cir. 1984), *abrogated by* 490 U.S. 730 (1989). The third view states that the terms “employee” and “within the scope of employment” carried their common-law agency meaning. See *Easter Seals Soc’y for Crippled Children & Adults of La., Inc. v. Playboy Enters.*, 815 F.2d 323, 334–36 (5th Cir. 1987). The fourth view is that “employee” only refers to “formal, salaried” employees. See *Dumas v. Gomeran*, 865 F.2d 1093, 1102 (9th Cir.), *abrogated by* 490 U.S. 730 (1989).

22. *Cmty. for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989).

23. *Id.* at 733.

24. *Id.* at 733–35.

25. *Id.* at 735.

26. *Id.*

27. *Id.*

registered copyright for the sculpture in his name, and planned a more modest tour of his own.<sup>28</sup> CCNV then sued to establish copyright ownership in the sculpture.<sup>29</sup>

The central issue before the court was whether the sculpture was a work-for-hire. If the court concluded that the sculpture was a work-for-hire, CCNV would succeed in establishing ownership of the copyright. As previously noted, works-for-hire can occur in two situations: (1) where the work is created by an employee within the scope of her employment or (2) where the work is specially commissioned *and* falls within one of nine categories enumerated in the statute *and* there is a signed writing expressing the parties' intent that it is a work-for-hire.<sup>30</sup> Because a sculpture does not fall within any of the nine enumerated categories and the parties did not sign an agreement prior to the creation of the sculpture establishing it as a work-for-hire, the court was precluded from finding that the sculpture was a "specially commissioned work."<sup>31</sup> Therefore, the central issue before the court was whether or not the sculpture was a "work prepared by an employee within the scope of employment," in which case CCNV owned the copyright, or whether the sculpture was prepared by an independent contractor, in which case copyright vested initially in Reid.

In resolving the rift that had developed between circuits on how to determine when a work is "prepared by an employee within the scope of employment," the court applied a common-law agency approach<sup>32</sup> based on the Restatement (Second) of Agency<sup>33</sup> and articulated the following multi-factor balancing test:

In determining whether a hired party is an employee under the general common law of agency, we consider the hiring party's right to control the manner and means by which the product is accomplished. Among the other factors relevant to this inquiry

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28. *Id.*

29. *Id.*

30. *See supra* note 18.

31. *CCNV*, 490 U.S. at 738.

32. An interesting question, but one outside the scope of this Article, is whether the Court's application of a "common-law agency approach" contradicts the longstanding precedent established by the U.S. Supreme Court in *Erie Railroad Co. v. Tompkins*, 304 U.S. 64, 78 (1938), where Justice Brandeis stated: "there is no federal general common law." The Second Circuit, in a case decided just prior to *CCNV*, referenced *Erie* in its application of agency laws to a work-for-hire determination when it stated: "For a federal court to base its decision on 'established principles of master-servant common law' that are independent of the law of any state would contravene *Erie* by creating a federal common law of master-servant relationships." *Balt. Orioles, Inc. v. Major League Baseball Players Ass'n*, 805 F.2d 663, 680-81 (1986).

33. RESTATEMENT (SECOND) OF AGENCY § 220(2) (1958) (setting forth a nonexhaustive list of factors relevant to determining whether a hired party is an employee).



are the skill required; the source of the instrumentalities and tools; the location of the work; the duration of the relationship between the parties; whether the hiring party has the right to assign additional projects to the hired party; the extent of the hired party's discretion over when and how long to work; the method of payment; the hired party's role in hiring and paying assistants; whether the work is part of the regular business of the hiring party; whether the hiring party is in business; the provision of employee benefits; and the tax treatment of the hired party.<sup>34</sup>

The court ultimately held that Reid was an independent contractor and not an employee of CCNV.<sup>35</sup> Facts that weighed against finding an employment relationship included: Reid's high level of skill; his use of his own tools; his labor in his own studio without daily supervision; his retention for a relatively short period of time (two months); his full discretion over when and how long to work subject to his deadline; his payment, which was made in a single sum upon completion of the project; his full discretion in hiring and paying assistants; the inability of CCNV to assign additional projects; the project's scope (creating sculptures was not part of CCNV's regular business); and the failure of CCNV to withhold taxes, provide employee benefits, or contribute to unemployment insurance or workers' compensation funds to Reid.<sup>36</sup>

The multi-factor test articulated in *CCNV* has been applied to works created by educators in at least one case. In *Martha Graham School & Dance Foundation, Inc. v. Martha Graham Center of Contemporary Dance, Inc.*,<sup>37</sup> the U.S. District Court for the Southern District of New York, and the Second Circuit on appeal, applied the *CCNV* test to the question of whether dances created by Martha Graham were works-for-hire.

Martha Graham, a renowned dancer, choreographer, and teacher "widely regarded as the founder of modern dance,"<sup>38</sup> was employed by the Martha Graham Center of Contemporary Dance Inc. ("the Center") and the Martha Graham School of Contemporary Dance Inc. ("the School") from 1956 until her death in 1991.<sup>39</sup> The Center and the School operated as a combined non-profit corporate entity "formed for the purpose of fostering a supportive environment in which an employed artist

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34. *CCNV*, 490 U.S. at 751–53.

35. *Id.* at 752.

36. *Id.*

37. *Graham I*, 224 F. Supp. 2d 567, 591 (S.D.N.Y. 2002), *aff'd in part, rev'd in part, and vacated in part*, 380 F.3d 624 (2d Cir. 2004).

38. *Martha Graham Sch. & Dance Found., Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc. (Graham II)*, 380 F.3d 624, 628 (2004).

39. *Graham I*, 224 F. Supp. 2d at 569–70.

will have the opportunity to create new works.”<sup>40</sup> During the thirty-five years that Graham was employed by the Center and School, she created thirty-four dances that acquired copyright protection, often in collaboration with other students, teachers, and members of the Dance Company also employed by the Center and School.<sup>41</sup>

After Graham’s death, a dispute arose between her testamentary heir and her former employer over copyright ownership in the dances she created while employed at the Center and School.<sup>42</sup> The heir argued that the work-for-hire doctrine should not apply in situations where the “employer” is a non-profit corporation formed for the purpose of encouraging and supporting the artist’s creative endeavors.<sup>43</sup> Under the heir’s view, Graham should have held the rights to her works individually and, at the time of her death, those rights should have been transferred according to the terms of her will.<sup>44</sup> The School and Center, Graham’s employer, argued that they owned the rights to Graham’s dances because they were works-for-hire created by Graham, an employee, within the scope of her employment.<sup>45</sup>

Although the Second Circuit found the argument of Graham’s heir somewhat appealing from a “creative arts policy”<sup>46</sup> perspective, the court ultimately rejected it: “Whatever the intrinsic merit of such an approach, we conclude that its adoption is a matter of legislative choice for Congress in the future, not statutory interpretation for a court at present.”<sup>47</sup> In concluding that Graham was an employee for purposes of the work-for-hire doctrine, the Second Circuit applied *CCNV*’s multi-factor test. This application of *CCNV* was, however, modified by its earlier ruling in *Aymes v. Bonelli*.<sup>48</sup> Citing *Aymes*, the *Graham I* court stated that the

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40. *Graham II*, 380 F.3d at 640.

41. *Graham I*, 224 F. Supp. 2d at 570.

42. *Id.*

43. The relationship between Graham and her putative employer has been used as an example of the “dominant employee” concept which describes a situation in which the person “who creates a work is nominally employed by a corporation, but the latter in fact serves as a vessel for the former.” 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT, § 5.03(B)(1)(a)(v) (Matthew Bender rev. ed. 2010).

44. *Graham I*, 224 F. Supp. 2d at 587.

45. *Id.*

46. *Graham II*, 380 F.3d at 640.

47. *Id.*

48. *Aymes v. Bonelli*, 980 F.2d 857 (2d Cir. 1992). *Aymes* created a series of computer programs while working for, and under the direction of, Bonelli’s company. After *Aymes* ceased working for Bonelli, his computer programs continued to be used by the company. *Aymes* sued for copyright infringement. Bonelli argued that he owned the copyrights in the programs as works-for-hire. The court applied the multi-factor *CCNV* test and concluded that *Aymes* was an independent contractor because taxes were not withheld from his pay, he did not receive employee benefits, and he exercised a high level of skill and expertise in developing the work.

“[CCNV] factors should not merely be tallied but should be weighed according to their significance in the case,”<sup>49</sup> and that “five factors ‘will be significant in virtually every situation . . . and should be given more weight in the analysis.’”<sup>50</sup> The five factors identified by the court were: “(1) the hiring party’s right to control the manner and means of creation; (2) the skill required; (3) the provision of employee benefits; (4) the tax treatment of the hired party; and (5) whether the hiring party has the right to assign additional projects to the hired party.”<sup>51</sup>

Analyzing Graham’s dances under this modified CCNV test, the lower court concluded that the Center owned the rights to all but one of the thirty-four dances as works-for-hire.<sup>52</sup> Determinative factors included Graham receipt of a salary, from which taxes were routinely withheld, and employee benefits.<sup>53</sup> Although it appeared the Board rarely exerted actual control over Graham’s creations or her choices with respect to hiring assistants, the court did not find this dispositive with respect to the “right to control” and “right to assign additional projects” factors:

That the Center’s board of directors saw no reason to exercise its right to control the creation of the dances does not mean that it did not possess such a right. The board did exercise its control in all the ways it saw fit while giving deference to Graham’s talent as a choreographer.<sup>54</sup>

Finally, the lower court concluded that Graham’s high level of artistic skill in choreography did not “transform her 35 years as a regular employee of defendants into the project-oriented status of an independent contractor.”<sup>55</sup>

On appeal, the Second Circuit affirmed the lower court’s ruling in part and reversed in part. The Second Circuit concluded that Graham individually owned the dances she created during the first ten years of her employment because she worked only “one-third of her professional time” as Program Director and, while her duties included dance instruction, choreography was not within the scope of her employment responsibilities.<sup>56</sup> After ten years, however, Graham “signed a new contract with the Center that altered both the nature and extent of her employment from part-time dance instructor to full-time choreographer,”

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49. *Graham I*, 224 F. Supp. 2d at 591 (citing *Aymes*, 980 F.2d at 861–62).

50. *Id.* at 591 (citing *Aymes*, 980 F.2d at 861).

51. *Id.*

52. *Id.* at 592.

53. *Id.*

54. *Graham I*, 224 F. Supp. 2d at 591–92.

55. *Id.* at 592.

56. *Graham II*, 380 F.3d at 637–38.

and thus her output during this period belonged to the Center as works-for-hire.<sup>57</sup>

*CCNV* and *Graham II* provide guidance for determination of employment status under work-for-hire. The following section draws on those decisions and offers an analysis of how a court might resolve the issue with respect to works created by university faculty.

### C. Application of the Law to Faculty-Created Works

The Copyright Act and case law present four ways of categorizing faculty-created works: (1) works “prepared by an employee within the scope of employment;”<sup>58</sup> (2) works prepared by an employee but not within the scope of employment;<sup>59</sup> (3) “specially commissioned” works that *also* fall into one of the nine categories enumerated in the statute, *as long as* there is a signed writing expressly stating that they are works-for-hire;<sup>60</sup> or (4) works created by independent contractors.<sup>61</sup> In the first and third situations, the university would be considered the author and copyright owner; in the second and fourth situations, the faculty-creator would be the copyright owner.<sup>62</sup>

It is fairly safe to assume that most faculty-created works fall outside of the limited “specially commissioned” category.<sup>63</sup> Therefore, the determination of copyright ownership in faculty-created works ultimately turns on whether or not the works are prepared by employees within the

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57. *Id.* at 639–41.

58. 17 U.S.C. § 101 (2006).

59. *See, e.g., Graham II*, 380 F.3d at 638 (ruling that dances created during *Graham*’s part-time employment were not within the scope of employment).

60. *Id.*

61. *E.g., Cmty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 753 (1989) (stating that independent contractors are “authors” for purposes of the Copyright Act).

62. *See id.*

63. Remember, to qualify as a work-for-hire under this category, the work must not only be specially commissioned but also fall into one of nine enumerated categories of works, and there must be a signed writing expressing the parties’ intention that it be a work-for-hire. 17 U.S.C. § 101(2). It is true that many faculty works would fall within the enumerated categories: contributions to collective works, part of audiovisual works, translations, supplementary works (which include published introductions, conclusions, illustrations, explanations, comments, editorial notes, forewords, afterwords and so forth), compilations, instructional texts (published for use in systematic instruction), tests, and answer material for tests. *Id.* However, in the vast majority of circumstances, these works are neither “specially commissioned” nor is there, more importantly, a signed written agreement expressing the parties’ intent that the work shall be considered a work made-for-hire. Recall that the Court in *CCNV* treated the failure to satisfy the signed writing requirement of § 101(2) as an absolute bar. *CCNV*, 490 U.S. at 736.

In the case of works created as deliverables under a grant, the grantor is the author when the work is specially commissioned, falls into one of the nine categories, and is accompanied by a signed writing.

scope of employment, prepared by an employee outside the scope of employment, or prepared by independent contractors.<sup>64</sup>

### 1. Are Faculty “Employees” for Purposes of Work-for-Hire?

Factors relevant to this inquiry include: (1) the skill required; (2) the source of the instrumentalities; (3) the location of the work; (4) the duration of the relationship; (5) whether the hiring party has the right to assign additional projects to the hired party; (6) the extent of the hired party’s discretion over when and how long to work; (7) the method of payment; (8) the hired party’s role in hiring and paying assistants; (9) whether the work is part of the regular business of the hiring party; (10) whether the hiring party is in business; (11) the provision of employee benefits; and (12) the tax treatment of the hired party.<sup>65</sup> Under the *Graham* decisions, the inquiry should focus on the factors that offer the most probative value under the circumstance and weigh more heavily the five most important factors:<sup>66</sup> (1) the hiring party’s right to control the manner and means of creation; (2) the skill required; (3) the provision of employee benefits; (4) the tax treatment of the hired party; and (5) whether the hiring party has the right to assign additional projects to the hired party.<sup>67</sup>

Application of these factors to university faculty suggests faculty members are indeed employees for purposes of work-for-hire.<sup>68</sup> Universities typically provide benefits<sup>69</sup> and withhold taxes.<sup>70</sup> Faculty are expected to possess a very high level of skill<sup>71</sup> in their field but, as the court in *Graham I* noted, a high level of skill does not transform an employee into the “project-oriented status of an independent contractor.”<sup>72</sup> In addition, although universities may typically choose not to exercise actual control over the manner and means of faculty creations,<sup>73</sup> or the assignment of additional projects,<sup>74</sup> this does not mean that the university does not possess rights to control faculty creations.<sup>75</sup>

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64. See, e.g., *CCNV*, 490 U.S. 730; *Aymes v. Bonelli*, 980 F.2d 857 (2d Cir. 1992).

65. *CCNV*, 490 U.S. at 751–52.

66. *Graham I*, 224 F. Supp. 2d at 591 (citing *Aymes*, 980 F.2d at 861); *Graham II*, 380 F.3d at 641–642.

67. *Graham II*, 380 F.3d at 641–642.

68. The *CCNV* factors of source of instrumentalities, location of work, and hired party’s discretion over when and how long to work are addressed *infra* Part I.C.ii.b.

69. *CCNV*, 490 U.S. at 752; *Graham I*, 224 F. Supp. 2d at 591.

70. *CCNV*, 490 U.S. at 752; *Graham I*, 224 F. Supp. 2d at 591.

71. *CCNV*, 490 U.S. at 751; *Graham I*, 224 F. Supp. 2d at 591.

72. *Graham I*, 224 F. Supp. 2d at 592.

73. *CCNV*, 490 U.S. at 751–52; *Graham I*, 224 F. Supp. 2d at 591.

74. *CCNV*, 490 U.S. at 751; *Graham I*, 224 F. Supp. 2d at 591.

75. See *Graham I*, 224 F. Supp. 2d at 592.

The duration of the relationship<sup>76</sup> between a university and its faculty is typically for one or more academic years with the possibility of renewal, rather than being limited to a short period of time or to a project with a clearly defined scope, as is generally the case with an independent contractor.<sup>77</sup> Universities also typically have the right to assign additional projects to faculty members.<sup>78</sup> Who makes hiring decisions<sup>79</sup> often depends on the context of the hire (although the university generally has the final say).<sup>80</sup> Whether the university or the faculty member makes the hiring decision, payments almost always come from the university's coffers.<sup>81</sup> Faculty are generally salaried employees.<sup>82</sup> Universities are in the business of education and research.<sup>83</sup> Faculty-created works—research, teaching, and service—are essential parts of universities' education and research activities.<sup>84</sup>

Application of the *CCNV* test to faculty-created works leads to the conclusion that faculty are employees of the university. As a practical matter, however, the employment status of university faculty will be undisputed in most instances. Faculty typically enter into employment contracts,<sup>85</sup> obviating the need to question, or litigate, the employment status issue.<sup>86</sup> In most instances, the question of who owns the copyright

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76. *CCNV*, 490 U.S. at 751.

77. *Id.* at 751–52. Renewal of the employment relationship is presumed in the case of tenured faculty. *See Graham I*, 224 F. Supp. 2d at 592 (independent contractors are typically project-oriented hires).

78. Whether a hiring party has the right to assign work to the hired party is one of the factors courts consider to determine whether a hired party is an employee. *CCNV*, 490 U.S. at 751.

79. *Id.* at 751–52.

80. For example, faculty members may have wide latitude in making hiring decisions in the context of student research assistants, whereas they may have little input in deciding who fills the role of their secretary or administrative assistant. *Id.*

81. The university may provide faculty members with individual accounts such as research accounts over which they exercise control. This arrangement reduces unnecessary oversight by the university over the day-to-day operations of research. Grant-supported research is another common variation on the payment issues. While faculty typically seek grants independently (although sometimes with the benefit of administrative or institutional support), funds from awarded grants are generally deposited into the university's account (rather than the faculty member's personal account), and the university makes disbursements to the faculty member and/or research assistants. This typical arrangement supports the notion that, even with respect to grant-supported works, the university is the author.

82. *CCNV*, 490 U.S. at 751.

83. *Id.*

84. *Id.*

85. *See, e.g., Employment Contract Form 36100—Supplemental Appointment Information*, U. MICH. HUM. RES. (Nov. 2010), <http://www.hr.umich.edu/hrris/forms/pdfs/supplementalappinfo.pdf>.

86. *See, e.g., Foraste v. Brown Univ.*, 248 F. Supp. 2d. 71, 79 (“There are virtually no material factual disputes regarding how Foraste performed his work while employed at Brown. [Foraste] was clearly a Brown employee, not an independent contractor.”).

in faculty-created works turns on whether or not the works are created within the scope of employment.

## 2. Are Faculty Works Created Within the “Scope of Employment”?

The test for determining whether a work is created within the scope of employment derives from the Restatement (Second) of Agency.<sup>87</sup> Section 228 of the Restatement (Second) of Agency reads, in pertinent part:

(1) Conduct of a servant is within the scope of employment if, but only if: (a) it is of the kind he is employed to perform; (b) it occurs substantially within the authorized time and space limits; (c) it is actuated, at least in part, by a purpose to serve the master . . . . (2) Conduct of a servant is not within the scope of employment if it is different in kind from that authorized, far beyond the authorized time or space limits, or too little actuated by a purpose to serve the master.<sup>88</sup>

The determination of whether faculty works are created within the scope of employment is made somewhat more complicated by the fact that university faculty typically prepare numerous works that fall into several qualitatively different categories. For purposes of discussion, faculty works can be grouped into the categories of “research,” “teaching,” or “service.”<sup>89</sup> The following discussion will apply the Restatement

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87. RESTATEMENT (SECOND) OF AGENCY § 228 (1958); *see also* *CCNV*, 490 U.S. 730; *Avtec Sys., Inc. v. Peiffer*, No. 92-463-A, 1994 U.S. Dist. LEXIS 16946, at \*8–10 (E.D. Va. Sept. 12, 1994), *aff’d*, 67 F.3d 293 (4th Cir. 1995).

An interesting question not addressed in this Article is whether courts must continue to draw upon the Restatement (Second) of Agency for the scope of employment test even though the Restatement (Third) of Agency, which contains revisions to the scope of employment provisions, was published in 2006. The Restatement (Third) of Agency defines “employee” as “an agent whose principal controls or has the right to control the manner and means of the agent’s performance of work” and notes that “the fact that work is performed gratuitously does not relieve a principal of liability.” RESTATEMENT (THIRD) OF AGENCY § 7.07(3) (2006). In addition, the Restatement (Third) of Agency states: “An employee acts within the scope of employment when performing work assigned by the employer or engaging in a course of conduct subject to the employer’s control. An employee’s act is not within the scope of employment when it occurs within an independent course of conduct not intended by the employee to serve any purpose of the employer.” *Id.* § 7.07(2). The authors note that this formulation of scope of employment differs from its predecessor in a few ways. Firstly, it is “phrased in more general terms” in order to, for example, more naturally encompass “the working circumstances of many managerial and professional employees . . . whose work is not so readily cabined by temporal or spatial limitations” set forth in the Restatement (Second) of Agency § 228. *Id.* § 7.07(2) cmt.b. Secondly, it was intended to resolve some inconsistencies in the prior formulation with regard to the degree of actuation required for a work to be considered within the scope of employment. *Id.*

88. RESTATEMENT (SECOND) OF AGENCY § 228.

89. *See, e.g.*, Harley et al., *supra* note 10.

(Second) of Agency test for scope of employment to each of the three categories of faculty works in turn.<sup>90</sup>

a. The Work is of the Kind Faculty are Employed to Perform

As part of their employment responsibilities, university faculty are generally expected to carry out duties consisting of some combination of teaching students, conducting research, and partaking in various service-orientated tasks.<sup>91</sup> Works of authorship resulting from these activities, including scholarly books and articles, course materials, and departmental committee reports, are of the *kind* faculty are employed to perform and thus will typically fall within the scope of employment.

Some judicial decisions suggest that academic tradition paired with the fact that many faculty-created works are the result of highly skilled expertise and creativity demonstrate that such works should fall outside the scope of employment.<sup>92</sup> This view has intuitive merit. As the Second Circuit noted in *Graham II*, however, a high level of skill does not determine copyright ownership.<sup>93</sup> Academic traditions, while powerful in their own right, do not create law. Furthermore, if retention and promotion decisions are made, even in part, on the basis of scholarship, it is difficult to argue that such works fall outside the scope of employment. These arguments will be addressed in more detail in Part II of this Article.

b. The Work Occurs Substantially Within  
the Authorized Time and Space Limits<sup>94</sup>

Depending on the category of work in question (research, teaching, or service) and the field or discipline in which the faculty member

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90. The goal is not to predict how a court might rule (as we are dealing with hypothetical facts generalized to abstraction) but merely to sketch out the kinds of arguments one might expect when issue of copyright ownership in faculty-created works is adjudicated.

91. See Harley et al., *supra* note 10.

92. See, e.g., *Weinstein v. Univ. of Ill.*, 811 F.2d 1091, 1094 (7th Cir. 1987) (“[A] professor of mathematics who proves a new theorem in the course of his employment will own the copyright to his article containing the proof. This has been the academic tradition since copyright law began.”); see also *Hays v. Sony Corp. of Am.*, 847 F.2d 412, 415 (7th Cir. 1988) (“Although college and university teachers do academic writing as part of their employment responsibilities . . . the universal assumption and practice was that . . . the right to copyright in such writing belonged to the teacher rather than to the college or university.”), *abrogated by* *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384 (1990). Both of these cases preceded the Supreme Court’s ruling in *CCNV*, a ruling that arguably rejects this position. Whether or not *Hays* or *Weinstein* remain good law in the Seventh Circuit remains an open question.

93. See *supra* note 55.

94. For purposes of this discussion, this inquiry is substantially similar to *CCNV* factors two (source of instrumentalities), three (location of work), and six (hired party’s discretion over when and how long to work). *Cnty. For Creative Non-Violence v. Reid*, 490 U.S. 730, 751–52 (1989).



practices, faculty creation may occur within different time and space limits.<sup>95</sup> The fact that faculty often have considerable discretion over when and where they conduct their work is not dispositive.<sup>96</sup> The extent of actual control the university chooses to wield over faculty creations with respect to time and space limits should be distinguished from the university's right to set those limits.<sup>97</sup> Comments to the Restatement (Third) of Agency underscore this interpretation. In explaining their justification for revising this part of the scope of employment provisions, the authors stated that they chose to restate the time and space limit requirement in more general terms so as to more naturally encompass "the working circumstances of many managerial and professional employees . . . whose work is not so readily cabined by temporal or spatial limitations."<sup>98</sup> University faculty would seem to belong to the class of professional employees this clarification was intended to target.<sup>99</sup>

c. The Work Is Actuated, at Least in Part,  
by a Purpose to Serve the Master

As with the prior factor, the extent to which a faculty work is actuated by a purpose to serve the university depends to some degree on the category of work in question and the intent of the particular faculty member. Some faculty members may create works that are fully actuated by a purpose to serve the university and would not have created the works but for their employment obligation.<sup>100</sup> However, many faculty

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95. For example, lab research, classroom teaching, and many service-related activities are constrained by the space limits set by the department or university. Research laboratory space and classroom assignments, as well as teaching and meeting schedules, are frequently determined by the department or university, although faculty members' preferences are often considered. In contrast, with regard to the range of activities that involve writing and the preparation of teaching materials, faculty enjoy broad discretion over the extent to which they make use of university-authorized spaces and decisions concerning the duration and location of the work. Some faculty members, for example, might choose to utilize home offices and personal computers for the bulk of their research and teaching preparation.

96. See *Graham I*, 224 F. Supp. 2d at 592 ("Reid and Aymes teach that the extent of actual control the Board may have wielded over Graham's creations is not dispositive, and, moreover, should be distinguished from the Center's 'right to control the product.' That the Center's board of directors saw no reason to exercise its right to control the creation of the dances does not mean that it did not possess such a right. The board did exercise its control in all the ways it saw fit while giving deference to Graham's talent as a choreographer.") (citation omitted).

97. *Id.*

98. RESTATEMENT (THIRD) OF AGENCY § 7.07 cmt. b (2006).

99. Several decisions have held a work to be a work-for-hire even where it was created at home during off-hours. See, e.g., *Miller v. CP Chems., Inc.*, 808 F. Supp. 1238, 1242-44 (D.S.C. 1992); *In re Simplified Info. Sys.*, 89 B.R. 538, 542 (W.D. Pa. 1988); *Marshall v. Miles Labs., Inc.*, 647 F. Supp. 1326, 1330 (N.D. Ind. 1986).

100. For example, if a faculty member despises teaching or participating in departmental meetings, their works resulting from those activities are clearly actuated by the university.

members may be internally motivated to conduct research, teach, or participate in service-related activities; they may even feel that they would create works associated with these activities regardless of whether it was their job to do so. Self-motivation or personal desire to create a work is not dispositive on the question of whether the work was actuated, in part, by a purpose to serve the employer.<sup>101</sup> Unless faculty-created works resulting from research, teaching, or service are made “with no intention to [create the works] as a part of or incident to” their employment as university faculty, then these works should fall within the scope of employment.<sup>102</sup>

In conclusion, the vast majority of faculty-created works fall within the scope of employment. Works resulting from teaching, research and service-related activities are typically of the kind faculty are employed to perform. While universities may choose not to exercise actual control over the time and space limits of faculty-creation, they have the authority to do so. Faculty-created works are actuated, at least in part, by a purpose to serve the university. And, as discussed *supra*, faculty are employees of the university for purposes of work-for-hire. Therefore, faculty-created works are generally works-for-hire and copyright in these works vests initially in the university.

However, the conclusion that universities own the copyrights in faculty-created works is not without some controversy. Some courts and scholars hold fast to the belief that the work-for-hire doctrine does not apply to faculty-created works because of the so-called “teacher exception.”<sup>103</sup> Others contend that while copyright initially vests in universities under work-for-hire, university policies effectively transfer those rights to the faculty-creators. The next section will discuss the justification for the “teacher exception” and explain why this position is both inconsistent with canons of legal interpretation and based on suspect logic. The

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101. See *Graham II*, 380 F.3d at 640 (“No doubt Graham was a self-motivator, and perhaps she would have choreographed her dances without the salary of Artistic Director, without the Center’s support and encouragement, and without the existence of the Center at all, but all that is beside the point. The fact is that the Center did employ her to do the work, and she did the work in the course of her regular employment with the Center.”); RESTATEMENT (SECOND) OF AGENCY § 236 (1958) (“Conduct may be within the scope of employment, although done in part to serve the purposes of the servant or of a third person.”).

102. RESTATEMENT (SECOND) OF AGENCY § 235 (“An act of a servant is not within the scope of employment if it is done with no intention to perform it as a part of or incident to a service on account of which he is employed.”); see also *Graham II*, 380 F.3d at 640–41 (“Where an artist has entered into an explicit employment agreement to create works, works that she creates under that agreement cannot be exempted from the work-for-hire doctrine on speculation about what she would have accomplished if she had not been so employed . . . . Many talented people . . . are expected by their employers to produce the sort of work for which they were hired, without any need for the employer to suggest any particular project.”).

103. See discussion *infra* Part I.D.

second justification, tied to university policies' modification of default copyright ownership, is addressed in Part II of this Article.

D. *The "Teacher Exception"—Alive and Well in the Seventh Circuit?*

The so-called "teacher exception" grew out of state common law copyright and, as its name suggests, exempted teachers from the work-for-hire doctrine.<sup>104</sup> Some state courts, persuaded by longstanding academic traditions, treated teachers as a special class of employee that should be exempt from the work-for-hire doctrine. In *Hays v. Sony Corp. of America*, Judge Richard Posner laid out the basis for the exception:

Until 1976, the statutory term "work made for hire" was not defined, and some courts had adopted a "teacher exception" whereby academic writing was presumed not to be work made for hire. The authority for this conclusion was in fact scanty . . . but it was scanty not because the merit of the exception was doubted, but because, on the contrary, virtually no one questioned that the academic author was entitled to copyright in his writings. Although college and university teachers do academic writing as a part of their employment responsibilities and use their employer's paper, copier, secretarial staff and (often) computer facilities in writing, the universal assumption and practice was that (in the absence of an explicit agreement as to who had the right to copyright) the right to copyright in such writing belonged to the teacher rather than to the college or university.<sup>105</sup>

As Posner described, prior to the revisions to the Copyright Act in 1976, some state courts presumed, in allegiance to long-standing academic norms and traditions, that faculty-created works fell outside the purview of the work-for-hire doctrine.<sup>106</sup>

The 1976 revisions, however, significantly changed things by abolishing state common law copyright.<sup>107</sup> Posner also discusses this change:

Until the Copyright Act of 1976, the United States had a dual system of property rights in expression. Until published, a work was protected by state common law principles; the author had a common law copyright. Upon publication, the author's common

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104. *Hays v. Sony Corp. of Am.*, 847 F.2d 412, 416 (7th Cir. 1988) (citing Dreyfuss, *The Creative Employee and the Copyright Act of 1976*, 54 U. CHI. L. REV. 590, 597-98 (1987)), *abrogated by* *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384 (1990).

105. *Id.* at 415 (7th Cir. 1988), *abrogated by* *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384 (1990).

106. *Id.*

107. *Id.*

law copyright terminated; to preserve his property right, he had to obtain a federal copyright. In order to simplify the law without diminishing the rights of authors, the 1976 Act abolished common law copyright as of January 1, 1978, but made federal copyright attach at the moment of creation, not publication, of any work within scope of the statute.<sup>108</sup>

Taken together, it would seem that Posner is saying that while a “teacher exception” may have existed at one time to exempt faculty-created works from work-for-hire, the exception was abolished along with the rest of state common law copyright when Congress passed the 1976 revisions to the Copyright Act.

Curiously, this was not the conclusion reached by Posner. After reviewing the legislative history of the 1976 revisions and finding not a single reference to the “teacher exception,” Posner decided that “the absence of any indication that Congress meant to abolish the teacher exception”<sup>109</sup> is indicative of the exception’s survival of the 1976 revisions. Although Posner’s reasoning may have been motivated by a laudable esteem for academic tradition,<sup>110</sup> the Supreme Court seems to have rejected that interpretation in *CCNV*: “We are unpersuaded. Ordinarily, ‘Congress’ silence is just that—silence.”<sup>111</sup>

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108. *Id.*

109. *Id.* at 416.

110. This motivation is suggested by Posner’s citation to a now-seminal article on this subject by Rochelle Cooper Dreyfuss. *Id.* at 416. In *The Creative Employee and the Copyright Act of 1976*, 54 U. CHI. L. REV. 590 (1987), Dreyfuss expresses a concern that the post-1976 work-for-hire doctrine will negatively impact creative employees, including university faculty. Dreyfuss’ particular concerns are addressed *infra* Part III, but for purposes of analyzing Posner’s reasoning, it may be relevant to note that all of her arguments are premised on the understanding that the “teacher exception” was eliminated by the 1976 revisions. Dreyfuss, *supra*, at 590.

111. *Cmty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 749 (1989) (citing *Alaska Airlines, Inc. v. Brock*, 480 U.S. 678, 686 (1987)). The Supreme Court’s view is consistent with the canon of statutory construction: *expressio unius est exclusio alterius*—whatever is omitted is understood to be excluded. Congress could have codified the “teacher exception,” thereby preserving it in the Act; however, it declined to do so and thus the omission should be understood to mean that the “teacher exception” was extinguished along with the rest of the state common law of copyright. Courts and scholars have not uniformly adopted the view that the teacher exception was abolished by the 1976 revisions. *See Pittsburg State Univ. v. Kan. Bd. of Regents*, 122 P.3d 336, 346 (Kan. 2005) (citing law review articles that “disagree on the current state of law with regard to this issue”). Others support the view that the teacher exception was abolished by the 1976 Act. *See, e.g., Hays*, 847 F.2d at 415 (“[I]t is widely believed that the 1976 Act abolished the teacher exception . . . .”); *Weinstein v. Univ. of Ill.*, 811 F.2d 1091, 1093–94 (7th Cir. 1987); Dreyfuss, *supra* note 110, 598–600. Still others have parsed the issue even more narrowly. *See Vanderhurst v. Colo. Mountain Coll. Dist.*, 16 F. Supp. 2d 1297, 1307 (D. Colo. 1998) (holding that a professor’s outline constituted a work-for-hire); *1 NIMMER & NIMMER*, *supra* note 43, § 5.03 n.94 (“Given that universities typically do not dictate the manner and means for a professor to reduce his lectures to writing . . . perhaps such

In *Weinstein v. University of Illinois*, another Seventh Circuit decision predating *CCNV* that addressed the issue of copyright ownership in faculty-created works, a three-judge panel (which included Posner) noted, “The statute is general enough to make every academic article a ‘work-for-hire’ and therefore vest exclusive control in universities rather than scholars.”<sup>112</sup>

The Seventh Circuit did not ultimately rely upon the existence or non-existence of the teacher exception in its ruling. Instead, it looked to the University of Illinois’ copyright policy, which stated that faculty own the copyrights in their work. The legal viability of this policy will be addressed in Part II of this Article. For purposes of this discussion, however, it is worth noting that *Weinstein*’s shift of focus (however reluctant) away from a teacher exception toward university policy statements concerning copyright ownership in faculty works could be understood to signal a broader shift in legal analysis of copyright ownership in faculty-created works.

The following Part will discuss universities’ attempts to modify, through contracts and policies, copyright ownership in faculty-created works.

## II. DO UNIVERSITY POLICIES MODIFY COPYRIGHT OWNERSHIP?<sup>113</sup>

As a result of the 1976 revisions to the Copyright Act and subsequent cases interpreting those revisions, universities drafted policies that, in essence, attempted to revive the function of the teacher exception. While the wording of copyright ownership policies varies among institutions, the policies generally fall into two camps: (1) policies that purport to selectively disclaim initial copyright ownership, and (2) policies that purport to affirmatively transfer copyright rights to the faculty-creator. This Part analyzes both policy approaches and explains why they may be insufficient to alter copyright ownership in faculty-created works.

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works still fall outside the work-for-hire doctrine, even under the 1976 Act.”) (citation omitted).

112. *Weinstein*, 811 F.2d at 1094. In an apparent contradiction to this statement, the court also said:

[A] professor of mathematics who proves a new theorem in the course of his employment will own the copyright to his article containing that proof. This has been the academic tradition since copyright law began . . . . The tradition covers scholarly articles and other intellectual property. When Saul Bellow, a professor at the University of Chicago, writes a novel, he may keep the royalties.

*Id.*

113. Faculty-employees are generally bound by the terms contained in university policies under their employment contracts.

### A. Policies that Selectively Disclaim Copyrights

As discussed, the work-for-hire doctrine is a default position that applies by operation of law: if an employee prepares a work within the scope of employment, work-for-hire applies.<sup>114</sup> Some universities, however, have adopted policies that attempt to circumvent the work-for-hire doctrine by preemptively disclaiming certain kinds of faculty works.

*Weinstein* presents one example of this kind of policy.<sup>115</sup> The University of Illinois' policy flipped the work-for-hire doctrine on its head, making the faculty-creator the default copyright owner unless a special situation applies—for example, if the work was:

[C]reated as a specific requirement of employment or as an assigned University duty. Such requirements or duties may be contained in a job description or an employment agreement which designates the content of the employee's work. If such requirements or duties are not so specified, such works will be those for which . . . the University is the motivating factor in the preparation of the work.<sup>116</sup>

In *Weinstein*, the Seventh Circuit failed to analyze whether or not the policy could, as a matter of law, avoid the work-for-hire doctrine. Instead, the court simply assumed the policy was sufficient to circumvent the Copyright Act's work-for-hire doctrine: "According to the policy, which is part of each professor's contract with the University, a professor retains the copyright unless the work falls into one of three categories . . . ."<sup>117</sup>

A number of other university policies purport to disclaim copyright in faculty-created works including:

- Harvard University: Authors are "entitled to own the copyright and retain any revenue derived therefrom in books, films, video cassettes, works of art, musical works and other copyrightable materials of whatever nature or kind and in whatever format developed, except that computer software and databases shall be subject to Section III ("Computer Software") of this policy."<sup>118</sup>

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114. 17 U.S.C. § 101 (2006).

115. *Weinstein*, 811 F.2d at 1094.

116. *Id.*

117. *Id.*

118. The quoted portions of Harvard University's copyright ownership policy appear in Section II.A of its policy. *Intellectual Property Policy*, HARVARD UNIV. (Oct. 7, 2010), <http://www.techtransfer.harvard.edu/resources/policies/IP/>.

- Indiana University: The University “shall assert no claims to copyright ownership in or to distribution of revenue from Traditional Works of Scholarship [such as] scholarly publications, journal articles, research bulletins, monographs, books, play scripts, theatrical productions, poems, works of music and art, instructional materials, and non-patentable software.”<sup>119</sup>
- Stanford University: All rights in copyright shall remain with the creator unless, for example, the work is a “work-for-hire.” Further, “copyright in pedagogical, scholarly or artistic works [including popular nonfiction, novels, textbooks, poems, musical compositions, unpatentable software, other works of artistic imagination, and student works (such as dissertations)] to which the University disclaims ownership under this policy *shall be held by the creators regardless of whether the work constitutes a work-for-hire under copyright law.*”<sup>120</sup>

Despite the carefully crafted policies of Harvard, Indiana, Stanford, and many other universities, these policies suffer from the same fundamental problem: “scope of employment” is a term of art defined by law. As Rochelle Cooper Dreyfuss noted in her seminal work, after the 1976 revisions to the Act, “authorship of work clearly created within the scope of employment now *vests irrebuttably* in the employer.”<sup>121</sup> As a policy matter, it would be reasonable to assume that Congress did not intend for the “scope of employment” to be defined on an institution-by-institution, or in some cases department-by-department, basis. Fairly and consistently applying the resulting pastiche of interpretations would be a nightmare for institutions and the courts. Furthermore, universities that purport to disclaim scholarly and pedagogical works—precisely the types of works faculty members are hired to perform—while relying on these works for purposes of tenure review may be setting themselves up for trouble.

Although university policies may fail to actually disclaim copyright in faculty-created works, these policies do have legal merit to the extent

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119. The quoted portions of Indiana University’s copyright ownership policy are found in Section 2.B.I., and the definition of “traditionally scholarly works” appears in Section 1.H. of its policy. *Indiana University Intellectual Property Policy*, IND. UNIV. (May 2, 2008), <http://www.indiana.edu/~ufc/docs/policies/IPPUUpdated.pdf>.

120. *Copyright Policy (RPH 5.2)*, STANFORD UNIV. (Dec. 22, 1998), <http://rph.stanford.edu/5-2.html> (emphasis added). The quoted portions of Stanford University’s copyright ownership policy are found in sections 1.A and 5.B of the Research Policy Handbook.

121. Dreyfuss, *supra* note 110, at 598 (emphasis added).

that a court chooses to consult them in ruling upon contractual disputes or making equitable determinations.<sup>122</sup>

### B. Policies that Purport to Transfer Copyrights

Some universities have taken a different approach to dealing with the work-for-hire doctrine. These universities' policies begin with a general statement of the default position such as "the university owns all copyright rights in faculty created works," followed by a purported transfer of copyright to the faculty-creator (unless the work is software, in which case the university retains the rights).

A current example of this flavor of policy is provided by the University of Michigan. Michigan's Technology Transfer Policy states: "Intellectual Property made (e.g., conceived or first reduced to practice) by any person, regardless of employment status, with the direct or indirect support of funds administered by the University (regardless of the source of such funds) shall be the property of the University."<sup>123</sup> The Standard Practice Guide then purports to transfer most of its copyrights: "Consistent with academic freedom and tradition, all faculty (including full-time, part-time, adjunct, and emeritus faculty) own and control instructional materials and scholarly works created at their own initiative with usual University resources."<sup>124</sup>

Like the policies of the "disclaimer" institutions, policies such as the University of Michigan's, which purport to transfer some copyrights to faculty-creators, also suffer from a fundamental problem: they do not satisfy the Copyright Act's signed writing requirement. The Act states that, in the case of works-for-hire, "unless the parties have expressly agreed otherwise in a written instrument signed by them," the employer owns all copyright rights.<sup>125</sup> The Act also states that transfers of

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122. For example, a university may be estopped from pursuing a copyright infringement claim against a faculty-creator who foreseeably and reasonably relied upon the policy to their detriment. The university would not, however, be estopped from pursuing infringement actions against parties who were not in privity with the employment contract and accompanying policies. See discussion *infra* Part III.

123. *Technology Transfer Policy § II.A*, U. MICH. (June 1, 2009), <http://www.techtransfer.umich.edu/resources/policies.php> (implementing § 3.10 of the By-laws of the Board of Regents).

124. UNIV. OF MICH. STANDARD PRACTICE GUIDE, *Copyrighted Works Created at or in Affiliation with the University of Michigan* § I.A.1 (reviewed Nov. 14, 2004), available at <http://spg.umich.edu/pdf/601.03-2.pdf>. The Guide provides a list of examples of faculty-owned works, including but not limited to "lecture notes, transparencies, case examples, textbooks, interactive textbooks, other works of nonfiction or novels, software, CD-ROMs, articles, books, literary works, poems, musical compositions, visual works of art, and other artistic creations regardless of the media in which the works are produced or the forms of dissemination . . ." *Id.*

125. 17 U.S.C. § 201(b) (2006).



copyright ownership made through a conveyance, note, or memorandum (rather than by operation of law) must be in writing and signed by the owner of the rights (university regents) or the owner's agent.<sup>126</sup> University policies are not signed by the regents or their agents. Thus, even if the policy satisfies every other requirement for a valid conveyance (a heavy burden, as argued in Part III of this Article), scholars and courts agree that it still fails to meet the requirements for a valid transfer of copyright.<sup>127</sup> Universities that employ this type of policy are likely "stuck" with their rights under the work-for-hire doctrine.

### III. IMPLICATIONS AND RECOMMENDATIONS

The 1976 revisions to the Copyright Act and subsequent cases interpreting the Act suggest that faculty-created works fall within the purview of the work-for-hire doctrine. In response to their role as copyright owners of faculty works, many universities adopted copyright policies that attempted to change the default application of the work-for-hire doctrine. The policies, however, may fail to achieve this objective, leaving universities to retain copyright ownership in faculty-created works.

This Part addresses the implications of university copyright ownership on the "creative environment" of academia and the scholarly publishing industry. The Article then offers some recommendations for how universities might exercise their rights to promote public access to scholarly works and revise their copyright policies to achieve greater clarity and improved efficiency.

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126. 17 U.S.C. § 204 (2006).

127. The finding that university policies have failed to meet the signed writing requirement is not controversial. Legal scholars and courts have been virtually unanimous in their application of this rule. *See, e.g.*, *Rouse v. Walter & Assocs.*, 513 F. Supp. 2d 1041, 1063–64 (S.D. Iowa 2007) ("An employee policy is insufficient to alter the statutory presumption under the Copyright Act."); *Foraste v. Brown Univ.*, 290 F. Supp. 2d 234, 239 (D.R.I. 2003) (citing *Balt. Orioles, Inc v. Major League Baseball Players Ass'n*, 805 F.2d 663, 671 (7th Cir. 1986) ("[T]he employer owns the copyright in a work made for hire 'unless the parties have expressly agreed otherwise in a written instrument signed by them.' . . . [this requirement] represents a substantial change in the 'work made for hire' doctrine. Under prior law, 'such an agreement could be either *oral* or *implied*.'" (emphasis in original)); Dreyfuss, *supra* note 110, at 600 ("[W]hile many faculty handbooks announce policies favoring faculty retention of copyright, handbooks are unlikely to be considered a signed writing within the meaning of the Act."); Jennifer Rothman, *The Questionable Use of Custom in Intellectual Property*, 93 VA. L. REV. 1899, 1926 (2007) ("These policies and practices, however, do not generally meet the requirements of Section 201 of the Copyright Act, which requires that any exception from the work-for-hire rules be set forth in a writing signed by both parties.").

A. Implications for the “Creative Environment” of  
Academia and the University-Faculty Relationship

In *The Creative Employee and the Copyright Act of 1976*, Rochelle Cooper Dreyfuss argues that a university’s exercise of copyright ownership over faculty-created works would undermine innovation by “substantially alter[ing] the creative environment” of academia.<sup>128</sup> Dreyfuss’ arguments accept that universities own the copyrights in faculty-created works and that the policies purporting to transfer rights are unlikely to meet the signed writing requirement.<sup>129</sup> The position she advances in her paper is that universities *ought* not to enforce their rights: “In exchange for a modest chance of pecuniary gain, the university risks fundamental alterations in the environment it creates for its student body and professional staff.”<sup>130</sup> In particular, she identifies several academic principles and traditions that would be undermined if the university were to exercise ownership rights over faculty works.

Her first concern deals with the way creative works are conceptualized. If the university does not share the creator’s “indifference to public demand,” Dreyfuss suggests that the creator’s conceptualization process could be affected, potentially changing the character of the material produced.<sup>131</sup> On a related note, she expresses concern that, in practice, the pecuniary interests of the authors will supplant the non-pecuniary motivations of the creator.<sup>132</sup> Dreyfuss tempers this argument, however, noting that “it is, of course, unlikely that universities will begin to direct academic research . . . .”<sup>133</sup>

Dreyfuss also argues that if universities exert copyright ownership in faculty works, they might “be tempted to prevent the creative professor from undertaking fallow periods. If less work is produced, there is less to sell. . . . Thus, the creative benefits of these seemingly unproductive periods may disappear if the copyrights of scholars’ works . . . are given to universities.”<sup>134</sup> In other words, universities, driven by prospective financial gain, will put additional, potentially harmful, pressures on faculty work production.

In addition, Dreyfuss claims that vesting ownership in universities may have negative implications related to publication decisions. Treating faculty-created works as works-for-hire, she says, “assumes that universities recognize when a work has achieved fruition better than academics

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128. Dreyfuss, *supra* note 110, at 592.

129. *Id.* at 600.

130. *Id.* at 638.

131. *Id.* at 609.

132. *Id.* at 590–91.

133. *Id.* at 612.

134. *Id.* at 614 (footnotes omitted).

themselves and that universities will not force the publication of immature or inaccurate information.<sup>135</sup> On the other hand, she notes that faculty-creator's idiosyncrasies can "bottleneck society's intellectual growth and produce unknowing duplication of effort"<sup>136</sup> such that university ownership might actually promote "the public's interest in timely disgorgement of creative works."<sup>137</sup>

Finally, Dreyfuss notes that universities and faculty-creators could contract around many of the perceived pitfalls of university ownership.<sup>138</sup> She suspects, however, that faculty would be unlikely to successfully negotiate for copyright ownership, and even if successful, could probably not afford to "compensate the university for the financial loss it would sustain by forgoing this opportunity."<sup>139</sup> And she cautions that:

Universities would also do well to compare the costs and benefits of asserting these rights. The costs, as I have shown, are potentially high. The benefits—the financial reward that is available in the copyright to scholarly production—are fairly low, except perhaps with respect to computer programs and textbooks. Thus, it is unlikely that the potential profits will ever outweigh the costs that a new regime would impose on the social fabric of the university.<sup>140</sup>

One might debate whether, with the benefit of over two decades of hindsight, Dreyfuss' concerns still resonate. While reasonable people may differ, experience seems to suggest that, contrary to Dreyfuss' assumptions and at least with respect to copyrightable subject matter, universities are not primarily motivated by financial gain.<sup>141</sup> Nor is it clear that universities are poorly situated to publish and disseminate faculty-created works.<sup>142</sup>

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135. *Id.* at 616.

136. *Id.* at 615 (footnote omitted).

137. *Id.*

138. *Id.* at 627–30.

139. *Id.* at 627

140. *Id.* at 642.

141. Evidence for the non-pecuniary motivations of universities may be found in the numerous open access initiatives popping up around the country. A few examples include the Massachusetts Institute of Technology's Open Courseware initiatives, Carnegie Mellon University's Open Learning Initiative, and the University of Michigan's Open Educational Resources initiatives. The contention that universities are not principally motivated by pecuniary gain rings less true for patentable subject matter that falls under the Bayh-Dole Act, 35 U.S.C. § 200 (2000). However, discussion of patent ownership in faculty inventions is outside the scope of this Article.

142. Recall that a starting point for this Article was the recognition of growing frustration among some scholars and universities with the proprietary scholarly publishing industry and the related burgeoning support for open-access initiatives.

Disputing the validity of Dreyfuss' assumptions point-by-point is not, however, the only path to arrive at a different conclusion. While universities own copyrights in most faculty-created works and current university policies are not sufficient to create a valid transfer of those rights to faculty, the story does not end there, nor must it follow the trajectory first suggested by Dreyfuss.

The basic counterargument to Dreyfuss' stance is that the legal disposition of copyright ownership should have little impact on the university-faculty relationship.<sup>143</sup> Due to its express policies, the university may be estopped from subsequently attempting to enforce its copyrights against the faculty-creator.<sup>144</sup> The equitable remedy of promissory estoppel precludes a promisor, in this case the university, from renegeing on a promise despite the absence of certain elements of a valid contract—in this case, a signed writing satisfying the requirements set forth by the Copyright Act—when it would lead to an unjust result.<sup>145</sup>

Thus, with respect to faculty, the projected harms that so deeply concerned Dreyfuss may not come to pass because, regardless of whether the policies create valid transfers, the University should be precluded from acting otherwise.<sup>146</sup> However, as described below, the same cannot be said with regard to scholarly publishers.

### *B. Implications for the Scholarly Publishing Industry*

While faculty members could be shielded from university copyright enforcement under the doctrine of promissory estoppel, a court may not extend this equitable protection to publishers because they are not in privity with the contract and, by extension, the policies entered into

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143. There may be non-copyright bases upon which universities could rely to limit the range of activities faculty could undertake with respect to works they create. Most university policies include conflict of interest and conflict of commitment provisions that would arguably prohibit a faculty member from, for example, (re)selling teaching materials to a competing university. *See, e.g.,* Amy Dockser Markus, *Seeing Crimson: Why Harvard Law Wants to Rein in One of Its Star Professors*, WALL ST. J., Nov. 22, 1999, at A1, available at <http://interactive.wsj.com/archive/retrieve.cgi?id=SB943231953420342442.djm>.

144. *See* 4 NIMMER & NIMMER, § 13.07(A), *supra* note 43 (“Principles of estoppels applicable elsewhere in the law apply equally to copyright infringement actions.”); *Hampton v. Paramount Pictures Corp.*, 279 F.2d 100, 104 (9th Cir. 1960) (involving a claim of copyright infringement arising out of the public exhibition of silent films contrary to the express terms of a license and outlining four elements necessary to establish the defense of equitable estoppel: (1) plaintiff must know the facts of the defendant’s infringing conduct; (2) plaintiff must intend that its conduct shall be acted on or must so act that the defendant has a right to believe that it is so intended; (3) the defendant must be ignorant of the true facts; and (4) the defendant must rely on the plaintiff’s conduct to its injury).

145. *See* RESTATEMENT (SECOND) OF CONTRACTS §§ 90, 139 (1981).

146. Universities have a duty to act in accordance with the express and implied terms of their contracts with faculty. RESTATEMENT (THIRD) OF AGENCY § 8.13 (2006).

between universities and faculty. As a basic principle of contract law, a third party beneficiary may sue to enforce a contract (or reap the protections afforded through equitable remedies such as the doctrine of estoppel) only when they are an intended beneficiary of the contract.<sup>147</sup> Scholarly publishers may be incidental beneficiaries of university intellectual property policies because they stand to gain from the initial purported transfer under subsequent contracts with faculty. However, status as an incidental beneficiary to a contract is insufficient to put the publisher “in the shoes” of the faculty member with whom they have contracted. University policies are intended to benefit faculty-creators rather than publishers.<sup>148</sup>

The potential legal and financial implications of university copyright ownership for proprietary publishers cannot be understated. If universities, rather than faculty, are the true copyright owners of scholarly works, then contracts between publishers and faculty purporting to make copyright transfers are invalid.<sup>149</sup> Faculty members would hold no copyrights to transfer, and publishers would thus receive no rights under the contract. In addition to the publishers owning no copyrights in published articles, the universities could argue that publishers are committing mass copyright infringement. Although the repercussions of this argument are potentially quite severe, it is not clear that the proprietary publishing industry would find much sympathy, especially given recent rises in subscription costs and increasingly restrictive access provisions. Members of the University of California system, for example, have expressed outrage over a purported 400% annual increase in subscription fees by Nature Publishing Group.<sup>150</sup> Many universities must now choose between

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147. RESTATEMENT (SECOND) OF CONTRACTS § 90.

148. *See id.* § 90 cmt. c (“Justifiable reliance by third parties who are not beneficiaries is less likely, but may sometimes reinforce the claim of the promisee or beneficiary.”).

149. Publishers might successfully argue that the express university policies and/or long-standing practices makes faculty actual or apparent agents of the university for purposes of entering into copyright transfer agreements. However, actual authority requires that the university expressly manifest its assent that faculty enter into copyright transfer agreements on its behalf. Such express manifestation seems absent in university policies. *See* RESTATEMENT (THIRD) OF AGENCY § 3.01. Publishers may have better luck arguing that faculty have apparent authority to enter into copyright transfer agreements on behalf of the university, but it is not clear that university policies would constitute a manifestation sufficient to communicate *to publishers* that faculty have authority to act with legal (i.e. copyright) consequences for the university.” *See* RESTATEMENT (THIRD) OF AGENCY § 3.03. “The fact that one party performs a service that facilitates the other’s business does not constitute such a manifestation.” *Id.* § 3.03 cmt. b. On the other hand, long-standing practice, *see id.*, paired with university statements respecting faculty’s authority to enter into publication agreements, *see, e.g., supra* note 9, would support publishers’ arguments.

150. *See* Megan Scudellari, *Support for UC-Nature Ban*, THE SCIENTIST (June 10, 2010, 03:36 PM GMT), <http://www.the-scientist.com/blog/display/57491/#ixzz1B2emHA88> (“UC libraries currently pay \$4,465 on average per NPG journal. The 2011 proposed average cost

purchasing subscriptions to journals and purchasing monographs.<sup>151</sup> Due to rising subscription costs, wealthier universities are finding it necessary to cut library budgets and reduce subsidies to university-affiliated publishers.<sup>152</sup> For poorer universities, especially those in the developing world, subscription costs are prohibitively expensive. As a result, researchers at these schools make do without access to up-to-date journals.

These problems are exacerbated by a lack of meaningful competition in the market.<sup>153</sup> Commercial publishers enjoy high profit margins—margins that grow even further as publishing increasingly goes digital.<sup>154</sup> The current state of publishing is particularly hard for many scholars and universities to accept,<sup>155</sup> given that scholarly publishing's two most important inputs—articles and the peer-review process—are provided virtually free of charge.

### C. Recommendations

While there have been efforts to alter the status quo in scholarly publishing for some time, change has been slow. There are, however, a number of steps universities could take to promote open alternatives—if openness is what universities truly desire.

First, universities should stop trying to solve a problem that does not exist. Universities, not scholarly publishers, own the copyrights in most faculty-created works. Universities should divert some resources, currently devoted to drafting and redrafting publisher agreement addenda and fighting the scholarly publishing industry, to focus on the bigger problem of incentives.

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would be \$17,479 per journal.”); *see also* YOCHAI BENKLER, *THE WEALTH OF NETWORKS: HOW SOCIAL PRODUCTION TRANSFORMS MARKETS AND FREEDOM* 313 (2006) (“Over the course of the 1990s, some estimates saw a 260 percent increase in the prices of scientific publications, and libraries were reported choosing between journal subscription and monograph purchases.”).

151. The Association of Research Libraries found that the amount libraries spent on purchasing monographs as compared to journals went from being roughly equal in 1986, at 44% books and 56% journals, to just 28% for books and 72% for journals in 1998. *The Future of Scholarly Publishing*, *supra* note 2 (citing Ass'n of Research Libraries, ARL BIMONTHLY REPORT 218 (2001)).

152. *See id.*

153. For example, scientific and medical publishing, a seven billion dollar industry, was dominated by six private publishers who accounted for 37% of the journals published in 1998 and 44% articles published between 1994 and 1998. Paul Gooden et al., Morgan Stanley, *Scientific Publishing: Knowledge Is Power* (Sep. 30, 2002), at \*3, <http://www.econ.ucsb.edu/~tedb/Journals/morganstanley.pdf>.

154. G.S. McGuigan & R.D. Russell, *The Business of Academic Publishing: A Strategic Analysis of the Academic Journal Publishing Industry and Its Impact on the Future of Scholarly Publishing*, *Electronic Journal of Academic & Special Librarianship*, v. 9 no. 3, Winter 2008, [http://southernlibrarianship.icaap.org/content/v09n03/mcguigan\\_g01.html](http://southernlibrarianship.icaap.org/content/v09n03/mcguigan_g01.html).

155. *See supra* note 1.

Universities should support open access alternatives by providing faculty who publish in open journals with financial assistance to cover the associated costs. In addition, universities should focus on developing viable alternative methods of peer review and work to change the existing system of academic award and credit, both of which are largely beholden to the scholarly publishing industry.

Finally, universities should revise their copyright policies to effect valid transfers while retaining a non-exclusive license to publish the works in an open-access journal as an open educational resource, or in an open archival repository. Drafting policies that accomplish a valid transfer, however, may be easier said than done.

The signed writing requirement of § 204(a) of the Copyright Act could be easily satisfied by, for example, including copyright transfer language on all employment contracts and enabling human resources employees to act as signatories on behalf of the university. A more difficult question is whether university policies will ever be able to satisfy the implicit requirements of a valid transfer. These requirements include reasonable specificity of the essential terms of the agreement, including the identity of the transferee and the subject matter of the transfer, and an indication that the agreement resulted from the parties' negotiations.<sup>156</sup>

In *Effects Associates, Inc. v. Cohen*, the Ninth Circuit explained some of the rationales underlying § 204(a)'s signed writing requirement.<sup>157</sup> The purpose of the requirement is to "spell out the terms of the deal to prevent misunderstandings; force parties to clarify their thinking and consider problems that could potentially arise; and determine precisely which rights are to be transferred."<sup>158</sup> The district court in *Saenger Organization, Inc. v. Nationwide Insurance Licensing Associates, Inc.* stated that valid § 204(a) transfers must include: (1) identification of the subject matter of the agreement; (2) an indication that the parties have come to that agreement; and (3) a reasonably certain statement of the essential terms of the agreement.<sup>159</sup> University copyright policies are inherently ambiguous; they do not identify the transferee or the subject matter of the transfer.<sup>160</sup> In addition, the parties of the would-be transfer

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156. *Effects Assocs., Inc. v. Cohen*, 908 F.2d 555, 557 (9th Cir. 1990); *see also infra* note 182.

157. *Cohen*, 908 F.2d at 557.

158. *Id.*

159. *Saenger Org., Inc. v. Nationwide Ins. Licensing Assocs., Inc.*, 864 F. Supp. 246, 250 (D. Mass. 1994), *aff'd*, 119 F.3d 55 (1st Cir. 1997).

160. Not all courts require the transferee be named. *See, e.g.*, *Sunham Home Fashions, LLC v. Pem-America, Inc.*, No. 02 Civ. 6284(JFK), 2002 WL 31834477, at \*7 (S.D.N.Y. Dec. 17, 2002), *aff'd*, 83 F. App'x 369 (2d Cir. 2003).

never negotiate the terms of the policy;<sup>161</sup> the university drafts its policy and faculty are “bound” to it by virtue of their employment agreements.

The only decision ruling on this specific issue is *Foraste v. Brown University*.<sup>162</sup> The case involved a staff photographer, Foraste, employed by Brown University. Brown’s copyright ownership policy stated that “ownership of copyrightable property which results from the performance of one’s University duties and activities will belong to the author or originator.”<sup>163</sup> After Foraste’s employment was terminated, a dispute arose over copyright ownership in his photos, with Foraste arguing that the University’s policy created a valid transfer.<sup>164</sup> The Rhode Island District Court held that Brown’s policy did not constitute a valid transfer of copyright under § 204(a) because it “spells out no material terms specific to the contested [subject matter]; in fact, it does not even mention the subject matter of the transfer.”<sup>165</sup>

All of this suggests that universities may find it difficult to draft policies that are both specific enough to create valid transfers under § 204(a) and broad enough to apply to the entire university community. If university copyright policies lack the requisite specificity, then each transferee, perhaps each copyrighted work, may require its own transfer agreement. Even with all of the technological tools at the universities’ disposal, this result would be crippling.

## CONCLUSION

Scholarly publishers have used copyright as a lever to maintain power and control over scholarly works. However, publishers might not actually own these copyrights because the transfer agreements entered into between faculty and publishers may be invalid. Universities might, therefore, find themselves in an extremely powerful bargaining position vis-à-vis scholarly publishers. Until universities begin to leverage this power by exercising their copyrights, publishers will have little incentive to change their practices. Universities’ exercise of copyrights could be done in furtherance of open access to scholarly works, a goal consistent with most universities’ stated missions as well as the promotion of

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161. Not all courts require that parties negotiate the terms of the transfer. *See, e.g., Zyware, Inc. v. Middlegate, Inc.*, No. 96-CV-2348(SHS), 1997 WL 685336, at \*4 (S.D.N.Y. Nov. 4, 1997).

162. *Foraste v. Brown Univ.*, 290 F. Supp. 2d 234 (D.R.I. 2003).

163. *Id.* at 236.

164. *Id.* at 235.

165. *Id.* at 239.



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science and useful arts, the constitutional basis for granting authors intellectual property rights.<sup>166</sup>

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166. U.S. CONST. art. 1, § 8, cl. 8.