



## NEW YORK UNIVERSITY

A private university in the public service

### Office of the Provost

Elmer Holmes Bobst Library  
70 Washington Square South  
New York, New York 10012-1091  
Telephone: 212 998 3228  
Facsimile: 212 995 4300

**Paul Horn** *Senior Vice Provost for Research  
& Distinguished Scientist in Residence*

June 26, 2012

From: Paul Horn, Senior Vice Provost for Research

To: Ted Magder, Chairperson, Faculty Senators Council

Re: **NYU Statement of Policy on Intellectual Property**

I want to begin by thanking you and your colleagues for reviewing the draft Intellectual Property policy on short notice and taking the time to write such a thorough set of comments. Your May 31 memo is much appreciated, and you will see that many of your comments are reflected in the changes we are currently making to the draft policy. After consultation within my office and with the Office of General Counsel, I address below each of the comments and concerns you raised.

As you know, the IP policy addresses complex issues in the context of an evolving regulatory environment, and replaces current policies that are seriously inadequate and outdated. The new policy has been in development for some time, and has been honed with input from many perspectives within the University. Accordingly, the updated policy will be reviewed by the Board of Trustees this month. I attach the policy, which will be announced and posted after Board review.

Because the IP policy is the first comprehensive revision of NYU policies in these subject areas for at least two decades, we fully agree with your view (Recommendation E) that there will be a need for adjustments and/or modifications to this policy as it is implemented over the coming months. Thus, and in accordance with the Policy on Policies that mandates periodic review, we expect to schedule a review process with representative members of the Faculty Senators Council, other representative faculty, Deans and administrators, to begin in September 2013, after which changes are likely to be incorporated into the 2012 policy. Any continued review of the IP policy that the FSC undertakes at this time would naturally be part of that process.

### **A. Comparison of 2009 & 2012 Drafts**

As requested, we are preparing for you a “comparison document” showing the changes to the 2012 version from the 2009 version. It is a bit awkward, given the nature and extent of changes, especially in the copyright policy, where several portions were restructured. However, there are some sections where we believe this redlined version may be of assistance to you and the Council to see specific changes. We will send you this document within a few weeks.

## **B. The NYU Intellectual Property Agreement**

*i.* We understand your concerns about the language describing assignment of rights. The language we used is necessitated by a major US Supreme Court case decided last year involving Stanford University and Roche Pharmaceuticals. The case focused upon the language in the IP agreement that Stanford required every faculty member to sign at the outset of employment. Stanford lost the case, and thereby lost key government rights at the same time. The Supreme Court specifically focused on the language of the “grant” of rights from faculty to the University, by deciding that the phrase “I agree I will assign,” is not strong enough to preserve the government’s rights, and that the language should have been “I hereby assign.” After this case, most Universities in the country changed their IP agreements to contain this same new language reflected here.

It is also important to note that virtually all major US research institutions in the country require faculty to sign such an agreement at the outset of employment. NYU is virtually alone in not requiring a signed agreement until a research proposal is submitted.

*ii.* You expressed concern about the related concepts of TRP, Research Data, and Copyrightable Works. Although these three things are defined separately in the policy, we recognize that in some instances there will be overlap and some items may fall into more than one category. Thus, in response to the concerns you raised, we are going to develop a specific FAQ to clearly describe the differences. This FAQ will be a part of larger FAQ document we are developing to assist members of the University Community to apply the new policies.

*iii.* You suggested language be added to make clear that faculty maintain the right to external legal advice and action. We do not agree that this is necessary. These new policies are very generous to faculty in many respects, and are consistent in every way with national best practices in technology transfer. Including language about “the right to counsel” could imply otherwise, and could imply that in some respect the policies diminish faculty rights. In fact, the 2012 draft IP policy embraces many key faculty rights to IP, and are some of the more progressive IP provisions in the country. In addition, many of the IP provisions (including the mandatory assignment language) are actually mandated by the federal Bayh Dole Act of 1980, which allowed Universities and their faculty (rather than government) to own IP rights. Thus, such terms are essentially non-negotiable: a university’s right to own IP is expressly conditioned upon NYU obtaining agreements with faculty setting forth these obligations.

## **C. Mandatory Review of Policy**

Discussed above.

## **D. Open Source Royalty**

*i.* With respect to the notion of an open source software licensing program that generates royalties, this is likely to be a rare occurrence, and so this scenario is not referenced in the policy. Further, since the vast majority of open source licensing is done on a non-revenue-producing basis, any royalty to faculty ordinarily would have to come from a specific source, e.g., unrestricted departmental funds – a limited resource, which would rarely be used for this purpose.

*ii.* With respect to instructional media, including digital media, the goal of the new language in the IP policies is to strengthen the nature and extent of resources available to the NYU community (including principally as a resource to faculty) while at the same time respecting the interests of the creator of instructional media. We do welcome a dialogue on these issues, and this could be conducted as one aspect within the one-year review process.

## **E. Disputes and the Advisory Committee**

- i.* Our policy envisions that the Provost may convene an Intellectual Property Advisory committee as needed. The policy does not enumerate the membership on the committee, and the intent is not to exclude faculty representatives. The policy preserves the discretion of the Provost/ EVP to decide how to convene that membership with experts, who may include faculty, to address the particular issues at hand.
- ii.* We agree that the policy should provide a means by which faculty can request a hearing before the advisory committee, and suggest that this provision be developed in the context of the one-year review.

## **F. Perpetual Rights and Moral Rights**

- i.* With respect to the FSC concern about the creator granting to NYU perpetual rights for instructional media, note that the alternative – setting an outside time limit that would apply to all such materials - is difficult and arbitrary. In reality, the issue will be moot in most instances since materials naturally become outdated or replaced over the course of a few years. However, our policy envisions that this is not always the case. The policy intends that an unlimited term license enhances the resources available to NYU faculty – without restricting the creator in any way: the creator maintains ownership and the full rights to exploit the materials, subject only to NYU's limited rights.
- ii.* With respect to the moral rights of creators, and the risk that the creator's intent will not be adequately protected, we do not feel that it is useful to attempt to identify and legislate the multiple scenarios where NYU could misrepresent the intent of the creator. The notion is that the content of copyrightable work will be maintained for the benefit of NYU faculty, and any modifications will be made by NYU faculty. On that basis, we believe it is fair to assume that faculty will act in good faith to ensure that the intent of a creator is not misrepresented.

Again, we appreciate your careful review and thoughtful comments on this policy.

Cc: David W. McLaughlin  
Bonnie Brier  
Carol Morrow  
Robert Schacht  
Marie Monaco  
Mary Ann Jones  
Karyn Ridder

### **Attachment:**

Statement of Policy on Intellectual Property, Dated June 15, 2012