

Exploiting Copyright

This publication is aimed at UK further and higher education staff working in areas related to knowledge transfer, work based learning, community links, outreach, CPD, employer engagement, wider participation, and lifelong learning.

It is one of a series of publications produced by JISC Legal to raise awareness of the potential legal issues related to the use of technology by colleges and universities in relation to their business and community engagement activities.

Please note: this guidance has been prepared by **JISC Legal** for information purposes only and is not, nor is intended to be, legal advice. This information is not intended to constitute, and receipt of it does not constitute, a contract for legal advice or the establishment of a solicitor-client relationship.

20 June 2007

If you have Adobe Acrobat Reader installed on your computer, you may download a PDF version here - <http://www.jisclegal.ac.uk/pdfs/BCEExploiting.pdf>.
(Recommended for printing.) Acrobat Reader is available free from Adobe's web site - <http://www.adobe.com/>.

Table of Contents

1. Introduction	1
2. Exploitation.....	1
3. Summary	3

1. Introduction

Staff in UK further and higher education establishments may be involved in the exploitation of their intellectual property creations with outside bodies. This guide is intended to assist staff in understanding the different approaches and their consequences which they may encounter.

This guidance applies equally whether the member of staff is negotiating on his or her own account (for copyright works which belong to them) or on behalf of the institution (where copyright belongs to the employer). For ease of reference, the term "rights holder" is used in this guidance to refer to the party who owns the rights and wishes to exploit them.

2. Exploitation

There are two principal ways in which copyright can be exploited, namely: -

- by assignment (or, in Scotland, assignation); or
- by licence.

Assignment

Assignment was generally considered the norm when someone wished to get their work published. Indeed, in some cases, the publisher would insist upon assignment as a condition of publication, and such a clause was typically found in publishers' standard agreements.

Assignment involves the rights holder formally transferring ownership of the rights to the publisher. Whilst the transfer has to be in writing, there is no specific form which has to be followed. The only requirement is that the wording clearly conveys the intention to transfer the rights. Some commonly used wording would include:-

- I assign my rights in the material;
- I transfer my copyright in the work; or
- All rights in the material will be owned by the publisher.

The effect of assignment is to give the publisher absolute ownership of the copyright in the work in question. The rights holder does not retain any rights in the work and would only be entitled to use that work following transfer if a licence is granted by the publisher to that effect. In the absence of such a licence, the rights holder is precluded from using the work, and from allowing others (including his or her institution) to do so.

This clearly restricts the rights holder's freedom and so assignments should not be entered into lightly. Generally, once the rights have gone, they've gone.

The rights holder should consider whether he or she may wish to develop that research further or make it available to its institution. If so, the assignment should contain a "licence back" of the copyright. Alternatively, rather than assign the rights, it may be more appropriate for the rights holder to simply licence the rights to the publisher.

Licensing

Nowadays, there is certainly a trend towards the licensing of rights to publishers, rather than an outright transfer. A licence is a right to use the material in question. This allows the third party to publish the work, with the rights holder retaining ownership (and control) of the material and the right to use it for his or her own purposes (such as further research or commercial development of it).

Terms

Care should be taken in the terms of any licence. In particular, and leaving aside any issue of royalty payments, it should be clearly and specifically worded to identify:-

- the licensor (i.e. the rights holder);
- the licensee (i.e. the publisher);
- the material being licensed;
- the purposes for which the material may be used (ie publication);

- the extent of any exclusivity;
- the media in which the material may be used; and
- any specific restrictions as to use.

Exclusivity

A licence can either be exclusive or non exclusive. An exclusive licence means that only the person who is receiving the licence (“the Licensee”) may use the material for that purpose. So, for instance, if an institution developed a piece of software and granted John Smith Limited an exclusive licence to use it for any purpose whatsoever, then no other party (including the institution) could use it. You can however narrow the exclusivity to a particular field or area – so, for example, the institution may grant John Smith Limited an exclusive licence to use the software for the provision of IT services to local authorities only. This would mean that the institution could use the software or license it to third parties for any other use.

By contrast, a non-exclusive licence is not restricted. The Licensee has a right to use the material, but has no right of exclusivity. This means that the rights holder can continue to use the material and may license third parties (such as his or her institution) to use it.

So, in the academic context, the material could be licensed (either exclusively or non-exclusively) to the publisher for a very specific use, for instance publication in the UK in an academic journal in hard copy and/or electronic format only. Even if this licence was exclusive, it would only prevent the rights holder from publishing (or granting a third party the right to publish) the material in that specific area. There would be nothing to stop the rights holder developing the research or licensing it to the institution for commercialisation.

3. Summary

Institutions are becoming increasingly involved in BCE activities and there is a greater awareness of the potential commercial or social value in the work of institutions and their staff. The assignment of rights in a piece of work to a third party will inevitably restrict the rights holder’s ability to use that work either for his or her own benefit, or for the benefit of the institution. Licences are a more flexible mechanism which can be tailored to be as general or as specific as the circumstances require. This avoids any unnecessary restrictions as to future behaviour or uses.

20 June 2007