

To: MnSCU Business Services Personnel
From: Gary Hunter, System Director for Intellectual Property
Date: May 10, 2012
RE: Alternative IP Language for Agreement Templates

Purpose: This memo provides alternative language for the intellectual property sections in the Professional/Technical (P/T) Services agreement and Guest Lecturer/Presenter agreement located on the Finance, Contracts & Purchasing website at <http://www.finance.mnscu.edu/contracts-purchasing/contracts/forms/index.html>.

Background: Occasionally, a contractor will own intellectual property (IP) they want to use or incorporate in their deliverables, presentations, workshops, etc. The contractor's IP usually consists of copyrighted materials, trademarks, and sometimes trade secrets (proprietary/non-public information). The MnSCU P/T Services agreement template and the Guest Lecturer/Presenter agreement template contain language that is usually read as *requiring the contractor to transfer ownership* of the intellectual property to MnSCU. Contractors occasionally object to this language regarding the transfer of IP ownership because they interpret the language to include their pre-existing IP.

To clarify this issue when Contractors object, alternative language should be used in *Section XIII* of the P/T Services agreement or *Section IX* of the Guest Lecturer/Presenter agreement. In these situations, the contractor retains ownership of their pre-existing IP. For some deliverables, the Contractor will grant MnSCU permission to use pre-existing IP incorporated in the deliverables, presentation or workshop. Rarely, will the permission include the Contractor's trademarks other than when MnSCU pays attribution to the Contractor.

The alternative language suggested in this memo is appropriate for the common situations that arise within the MnSCU system. Other situations may require different alternative language so please contact the System Director for Intellectual Property when confronted with *unique circumstances* that are not addressed in this memo.

Note 1: In some situations, Contractors will "use" their IP in the form of trade secrets (proprietary/non-public information such as rubrics, analytics, processes, algorithms, etc.) to generate or produce the deliverables, handouts, evaluations, etc. In these situations, alternative language may not be needed because the deliverables do not contain any of the Contractor's IP, but are the product of the Contractor's pre-existing IP.

Note 2: Other situations may require different alternative language when the product of the Contractor's pre-existing IP (e.g. copyrighted materials) results in a derivative work. Ownership may or may not be transferred, depending on the circumstances.

Note 3: When Contractors have prepackaged presentations or workshop consisting of copyrighted materials, the use of those materials after the presentation/workshop has ended may be limited regarding the copying, displaying and distribution of those materials. Please clarify this issue with the Contractor while negotiating the agreement and prior to signing it.

What alternative language is acceptable may vary from one Contractor to the next.

Professional/Technical Services Agreement

➤ **Standard Template Language in Section XIII:**

XIII. OWNERSHIP OF MATERIALS AND INTELLECTUAL PROPERTY RIGHTS.

A. MnSCU shall own all rights, title and interest in all of the materials conceived or created by the CONTRACTOR, or its employees or subcontractors, either individually or jointly with others and which arise out of the performance of this contract, created and paid for under this contract, including any inventions, reports, studies, designs, drawings, specifications, notes, documents, software and documentation, computer based training modules, electronically, magnetically or digitally recorded material, and other work in whatever form (hereinafter MATERIALS).

B. The CONTRACTOR hereby assigns to MnSCU all rights, title and interest to the MATERIALS. The CONTRACTOR shall, upon request of MnSCU, execute all papers and perform all other acts necessary to assist MnSCU to obtain and register copyrights, patents or other forms of protection provided by law for the MATERIALS. The MATERIALS created under this contract by the CONTRACTOR, its employees or subcontractors, individually or jointly with others, shall be considered “works made for hire” as defined by the United States Copyright Act. All of the MATERIALS, whether in paper, electronic, or other form, shall be remitted to MnSCU by the CONTRACTOR, its employees and any subcontractors, and the CONTRACTOR shall not copy, reproduce, allow or cause to have the MATERIALS copied, reproduced or used for any purpose other than performance of the CONTRACTOR’S obligations under this contract without the prior written consent of MnSCU’s authorized representative.

➤ **Use this alternative language in sections XIII A and B when the contractor will use a combination of pre-existing IP AND create new IP under the agreement.**

XIII. OWNERSHIP OF MATERIALS AND INTELLECTUAL PROPERTY RIGHTS.

A. MnSCU shall own all rights, title and interest in all materials conceived or created by the CONTRACTOR, or its employees or subcontractors, either individually or jointly with others and which arise out of the performance of this contract, created and paid for under this contract, including any inventions, reports, studies, designs, drawings, specifications, notes, documents, software and documentation, computer based training modules, electronically, magnetically or digitally recorded material, and other work in whatever form (hereinafter MATERIALS). Pre-existing materials owned by CONTRACTOR and used in the MATERIALS shall remain the intellectual property of the CONTRACTOR.

B. The CONTRACTOR hereby assigns to MnSCU all rights, title and interest to the MATERIALS and grants MnSCU permission to use CONTRACTOR’S pre-existing intellectual property

incorporated into the MATERIALS for internal non-profit educational purposes consistent with this agreement. The CONTRACTOR shall, upon request of MnSCU, execute all papers and perform all other acts necessary to assist MnSCU to obtain and register copyrights, patents or other forms of protection provided by law for the MATERIALS. The new MATERIALS created under this contract by the CONTRACTOR, its employees or subcontractors, individually or jointly with others, shall be considered “works made for hire” as defined by the United States Copyright Act. All of the MATERIALS, whether in paper, electronic, or other form, shall be remitted to MnSCU by the CONTRACTOR, its employees and any subcontractors, and the CONTRACTOR shall not copy, reproduce, allow or cause to have the MATERIALS copied, reproduced or used for any purpose other than performance of the CONTRACTOR’S obligations under this contract without the prior written consent of MnSCU’s authorized representative.

- **Use this alternative language when contractor will use ALL pre-existing IP and NO new IP will be created. In this situation, MnSCU is permitted to use the pre-existing materials.**

XIII. OWNERSHIP OF MATERIALS AND INTELLECTUAL PROPERTY RIGHTS.

A. Contractor shall own all rights, title and interest in the materials conceived or created by the CONTRACTOR, or its employees or subcontractors, either individually or jointly with others and which arise out of the performance of this contract, created and paid for under this contract, including any inventions, reports, studies, designs, drawings, specifications, notes, documents, software and documentation, computer based training modules, electronically, magnetically or digitally recorded material, and other work in whatever form (hereinafter MATERIALS). The CONTRACTOR grants MnSCU permission to use the MATERIALS for internal non-profit educational purposes consistent with this agreement.

- **Use this alternative language when contractor will use ALL pre-existing IP and NO new IP will be created, but MnSCU is NOT permitted to copy, display and distribute the pre-existing IP.**

XIII. OWNERSHIP OF MATERIALS AND INTELLECTUAL PROPERTY RIGHTS.

A. Contractor shall own all rights, title and interest in the materials conceived or created by the CONTRACTOR, or its employees or subcontractors, either individually or jointly with others and which arise out of the performance of this contract, created and paid for under this contract, including any inventions, reports, studies, designs, drawings, specifications, notes, documents, software and documentation, computer based training modules, electronically, magnetically or digitally recorded material, and other work in whatever form (hereinafter MATERIALS). The CONTRACTOR grants MnSCU permission to use the MATERIALS for internal non-profit educational purposes consistent with this agreement. MnSCU shall not copy, display, or distribute the MATERIALS without the prior written consent of CONTRACTOR.

Guest Lecturer/Presenter Agreement

➤ **Standard Template Language in Section IX:**

IX. INTELLECTUAL PROPERTY. PRESENTER assigns to MnSCU all rights, title and interest in any intellectual property materials created by the PRESENTER that arise out of the performance of this agreement, including any materials disseminated as part of the presentation. PRESENTER represents and warrants that any such intellectual property does not infringe upon any intellectual property rights of another.

➤ **Use this alternative language when guest lecturer/presenter will use a combination of pre-existing IP AND also new IP created under the agreement.**

IX. INTELLECTUAL PROPERTY. PRESENTER assigns to MnSCU all rights, title and interest in any new intellectual property materials created by the PRESENTER that arise out of the performance of this agreement, including any materials disseminated as part of the presentation. PRESENTER represents and warrants that any such intellectual property does not infringe upon any intellectual property rights of another. To the extent pre-existing materials owned by PRESENTER are used in the intellectual property materials, PRESENTER retains ownership and grants MnSCU permission to use the pre-existing materials for non-profit educational purposes consistent with this agreement.

➤ **Use this alternative language when contractor's materials will consist entirely of pre-existing IP that he or she owns, NO new IP will be created, and MnSCU is permitted to copy, display and distribute the pre-existing IP.** (Example: Pre-existing workshop materials such as PPT, Handouts, etc., owned by Contractor that will be distributed to attendees. Materials may be "used" by attendees after the workshop which includes making and distributing copies or displaying them on a college/university website or in D2L.)

IX. INTELLECTUAL PROPERTY. PRESENTER grants MnSCU all rights, title and interest in any new intellectual property materials created by the PRESENTER that arise out of the performance of this agreement, including any materials disseminated as part of the presentation. PRESENTER represents and warrants that any such intellectual property does not infringe upon any intellectual property rights of another. To the extent that pre-existing intellectual property owned by PRESENTER is used in the materials, PRESENTER retains ownership and grants MnSCU permission to use the pre-existing materials for non-profit educational purposes consistent with this agreement.

➤ **Use this alternative language when contractor's materials will consist entirely of pre-existing IP he or she owns, NO new IP will be created, and MnSCU is NOT permitted to copy, distribute or display the pre-existing IP.** (Example: Pre-existing/prepackaged workshop materials such as PPT, Handouts, etc., owned by Contractor that will be distributed to attendees. Materials may be used by attendees after the workshop, but the right to use DOES NOT include making or distributing copies or displaying them on a college/university website or in D2L.)

IX. INTELLECTUAL PROPERTY. PRESENTER retains all rights, title and interest in any intellectual property materials created by the PRESENTER that arise out of the performance of this agreement, including any materials disseminated as part of the presentation. PRESENTER represents and warrants that any such intellectual property does not infringe upon any intellectual property rights of another. The CONTRACTOR grants to MnSCU limited permission to use the MATERIALS for internal non-profit educational purposes consistent with this agreement. MnSCU shall not copy, display, or distribute the MATERIALS without the prior written consent of CONTRACTOR.

Additional language can be drafted to accommodate a Contractor's concern regarding ownership or the use of their deliverables/materials. Please contact System Director Gary Hunter to discuss unique situations that can arise within our system.

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