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Georgia Holmes

Daniel A. Levin

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# WHO OWNS COURSE MATERIALS PREPARED BY A TEACHER OR PROFESSOR? THE APPLICATION OF COPYRIGHT LAW TO TEACHING MATERIALS IN THE INTERNET AGE

*Georgia Holmes*\* & *Daniel A. Levin*\*\*

## I. INTRODUCTION

Many teachers and professors<sup>1</sup> prepare course materials to enhance the educational value of their classes. If such course materials constitute copyrightable works under federal copyright law, the question arises: Who owns the copyright of such materials? The educational institution? The teacher or the professor? What is the legal effect of the teacher or professor posting such materials on the educational institution's internet website? This article explores these questions.

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\* Professor of Business Law, The College of Business, Minnesota State University, Mankato. B.A., M.A. (English), Minnesota State University, Mankato; J.D., William Mitchell College of Law.

\*\* Assistant Professor of Business Law, The College of Business, Minnesota State University, Mankato. A.B., Washington University, St. Louis; M.B.A., University of Colorado at Boulder; J.D., University of the Pacific, McGeorge School of Law.

1. In this article the term "teacher" is used to mean an instructor in a grade school or high school. The term "professor" means an instructor in a college or university. Occasionally, the term "faculty member" is used as shorthand to refer to either a teacher or a professor. Some of the court decisions cited "teacher" broadly to include either a teacher or a professor.

The distinction between "teacher" and "professor" is useful as grade school and high school teachers traditionally have different responsibilities from college and university professors. For example, college and university professors are typically expected to write and publish scholarship such as journal articles or books in addition to teaching. Grade school and high school teachers are typically not expected to produce published scholarship. The distinction is thus relevant when, for example, a court must determine the scope of employment for copyright law purposes.

Finally, the term "educational institution" is occasionally used as shorthand to refer to a grade school, high school, college or university.

## II. THE BASIC STRUCTURE OF UNITED STATES COPYRIGHT LAW

The United States Constitution provides, in Article I, Section 8, Clause 8, that "Congress shall have Power . . . [t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." The "Authors/Writings" portion of this provision authorizes Congress to reward innovation by granting a copyright—a temporary monopoly—to people creating original literary, musical and artistic works.<sup>2</sup>

Acting pursuant to this provision, the very first Congress began federal copyright protection in 1790. Congress has modified federal copyright law several times since 1790. The first comprehensive federal copyright statute was the Copyright Act of 1909. Currently, the major federal statute governing copyrights is the Copyright Act of 1976, which substantially revised existing copyright law.<sup>3</sup> For example, before Congress passed the 1976 Act, authors derived copyright protection from both state common law and federal statutory law. The 1976 Act abolished state common law copyright as of January 1, 1978.

Under the 1976 Act, "[c]opyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression."<sup>4</sup> Copyright protection is limited to the *expression* of ideas. Such protection does not ". . . extend to any idea, procedure, process, system, method of operation, concept, principle or discovery."<sup>5</sup>

## III. THE WORK FOR HIRE RULE

Under the 1976 Act, copyright ownership "vests initially in

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2. The "Inventors/Discoveries" portion of this provision authorizes Congress to reward innovation by granting another kind of temporary monopoly—a patent—to people who create useful inventions.

3. 17 U.S.C. § 101 (1999). Additional federal statutes governing copyrights include the Berne Convention Implementation Act of 1988, the Uruguay Round Agreements Act, and the Computer Software Copyright Act of 1980. In addition to Acts of Congress, the U. S. Copyright Office has issued regulations, codified in Title 37, Code of Federal Regulations.

4. 17 U.S.C. § 102(a) (1999).

5. *Id.* § 102(b).

the author or authors of the work.”<sup>6</sup> In general, the author is the party who actually creates the work—the person who translates an idea into a fixed, tangible expression entitled to copyright protection. However, the 1976 Act created an exception for “works made for hire.”<sup>7</sup> Section 101 of the Act, which defines key terms used in the Act, defines a “work made for hire” as:

(1) a work prepared by an employee within the scope of his or her employment; or

(2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.<sup>8</sup>

Under Section 101 of the 1976 Act, there are two distinct ways to create a work for hire. The first is for an employee to create a work within the scope of his or her employment. The second way is for a hiring party to specially order or commission a work falling within one of nine specified categories and for the parties to expressly agree in writing that the work is for hire. Thus, “[c]ongress intended to provide two mutually exclusive ways for works to acquire work for hire status: one for employees and the other for independent contractors.”<sup>8</sup>

Three of the nine enumerated categories of specially ordered or commissioned works are clearly academic in nature: instructional texts, tests, and answer material for tests. Section 101(2) defines instructional text as “a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.” Presumably, the inclusion of these three kinds of works does not preclude the possibility that they could constitute works for hire under Section 101(1), if prepared by an employee rather than an independent contractor. That is, if an employee (such as the typical teacher or professor)—rather than an independent contractor—pre-

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6. *Id.* § 201(a).

7. Courts and commentators also use the shorter term “work for hire.” *See, e.g.,* Community for Creative Non-Violence v. Reid, 490 U.S. 730, 737 n.3 (1989).

8. 17 U.S.C. § 101 (1999).

8. *Id.* at 747-48.

pared an instructional text, a test, or answer material for a test, and the employee prepared this material within the scope of employment, the material would presumably constitute a work for hire, as long as it was copyrightable under Section 102.<sup>9</sup>

If a work is made for hire, Section 101 considers the employer (or other person for whom the work was prepared) to be the author who owns the copyright, unless the parties have signed a written agreement stating otherwise.<sup>10</sup> Classifying a work as made for hire determines several features of the copyright, including its initial ownership, its duration,<sup>11</sup> and the owner's renewal rights.<sup>12</sup>

The 1909 Act said little about "works for hire." It merely stated that "the word 'author' shall include an employer in the case of works made for hire."<sup>13</sup> The Act did not define "employer" or "works made for hire" or provide any other guidance to assist courts faced with work for hire cases.<sup>14</sup>

In *Community for Creative Non-Violence v. Reid*,<sup>15</sup> the U.S. Supreme Court addressed the meaning of the term "employee" in the 1976 Act's definition of "work made for hire."<sup>16</sup> The Court, relying for guidance on the common law of agency and

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9. It is possible, of course, for a faculty member who is an employee of a school, college or university to be commissioned by a third party, such as a textbook publishing company, to prepare an instructional text, a test, or answer material for a test. In that case, the determination of whether the instructional text or other work is a work for hire (in which case the textbook publishing company would own the copyright) would be governed by the work for hire definition in 17 U.S.C. § 101(2) (1999).

10. *See id.* § 201(b).

11. *See id.* § 302(c).

12. *See id.* § 304.

13. *Id.* § 26 (1976 ed.) (1909 Act).

14. The courts "concluded that the work for hire doctrine codified in § 62 referred only to works made by employees in the regular course of their employment. As for commissioned works, the courts generally presumed that the commissioned party had impliedly agreed to convey the copyright, along with the work itself, to the hiring party." *Reid*, 490 U.S. at 744. Under the 1909 Act, a work created by an employee or a person under commission was only presumptively a work for hire. The presumption could be overcome by agreement (oral or written) or custom. *See Sargent v. American Greetings Corp.*, 588 F. Supp. 912, 921 (N.D. Ohio 1984).

15. In this case, Community for Creative Non-Violence ("CCNV"), a nonprofit organization dedicated to ending homelessness in America, hired James Reid, an artist, to produce a sculpture dramatizing the plight of the homeless. After Reid produced the sculpture, CCNV and Reid disagreed as to which party owned the copyright to the work. CCNV sued Reid to determine copyright ownership. 490 U.S. 730 (1989).

16. 17 U.S.C. § 101.

the Restatement (Second) of Agency,<sup>17</sup> (“Restatement of Agency” or “Restatement”) ruled that

To determine whether a work is for hire under the Act, a court first should ascertain, using principles of general common law of agency, whether the work was prepared by an employee or an independent contractor. After making this determination, the court can apply the appropriate subsection of § 101. . . . 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 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. See Restatement § 220(2) (setting forth a nonexhaustive list of factors relevant to determining whether a hired party is an employee). No one of these factors is determinative.<sup>18</sup>

Since the Court determined that the hired party in that case (James Reid) was not an employee but an independent contractor,<sup>19</sup> the Court did not address the meaning of the term “within the scope of employment” in the 1976 Act’s “work made for hire” definition. Its reliance, however, on the Restatement for guidance in defining “employee” suggests that courts should also look to the Restatement for guidance in determining when a copyrightable work prepared by an employee is “within the scope of employment” and thus a work for hire.

Restatement § 228 describes the general rule for determining when an employee’s conduct is within the scope of employment. According to the Restatement, an employee’s conduct is within the scope of employment when it is of the kind that the employee was hired to perform, it occurs substantially within

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17. *Reid*, 490 U.S. at 752 n.31 (1989). (“In determining whether a hired party is an employee under the general common law of agency, we have traditionally looked for guidance to the Restatement of Agency.”)

18. *See id.* at 750-52 (internal footnotes omitted).

19. *See id.* at 752.

authorized time and space limits, and it is actuated, at least in part, by a purpose to serve the employer.<sup>20</sup>

#### IV. THE "WORK FOR HIRE" RULE IN EDUCATIONAL CONTEXTS

Few reported cases exist involving the "work for hire" rule in educational contexts. These cases are discussed in this section.

##### *A. 1909 Copyright Act*

In *Sherrill v. Grieves*,<sup>21</sup> a U.S. Army instructor sued a U.S. Army Officer to enjoin the officer from publishing an instructional book for army officers that allegedly infringed on the copyright of the plaintiff's instructional book. Sherrill, the plaintiff, was an instructor at the U.S. Army's postgraduate school for officers at Fort Leavenworth, Kansas. Sherrill was assigned to teach military sketching, map reading and surveying; however, he found that no suitable textbook existed on these topics. Therefore, he prepared material for a book to fill the gap. According to the court, he worked on this book "in his leisure time, not as an incident to his work as instructor."<sup>22</sup> The book was used by both the Army and civilian educational institutions. Before the book was printed for general circulation, the Army asked Sherrill for permission to print the section of the book on military sketching in a pamphlet to be used by students at the Army postgraduate school. Sherrill granted permission and registered the pamphlet (the "Leavenworth pamphlet") with the U.S. Register of Copyrights in 1910. He later included the Leavenworth pamphlet in a book called "Military Topography for the Mobile Forces" and registered the book with the Register of Copyrights that same year.

Grieves, the defendant, who was a U.S. Army Officer, later wrote two books on military sketching designed for use by Army officers. Sherrill sued, claiming that Grieves' books infringed Sherrill's copyright in the Leavenworth pamphlet.

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20. RESTATEMENT (SECOND) OF AGENCY § 228(1) (1992).

21. 57 Wash. L. Rep. 286, 20 Copyright Office Bulletin 675 (Dist. Of Columbia Supreme Court 1929). This court no longer exists. Congress has transferred its duties to the U.S. District Court for the District of Columbia. Anyone looking for this case is advised to look for it in the Copyright Office Bulletin, as the Washington Law Reports are not found in many law libraries today.

22. *Sherrill*, 20 Copyright Office Bulletin at 686.

Grievés claimed that he had not used any part of the Leavenworth pamphlet, and that even if he had, such use was legitimate because the pamphlet was a "publication of the United States Government" under the 1909 Act.<sup>23</sup>

The court rejected this argument and ruled that the Leavenworth pamphlet was not a publication of the U.S. Government and enjoined Grievés from infringing Sherrill's copyright.<sup>24</sup> The court stated that

The plaintiff at the time was employed to give instruction just as a professor in an institution of learning is employed. The court does not know of any authority holding that such a professor is obliged to reduce his lectures to writing or if he does so that they become the property of the institution employing him.<sup>25</sup>

### *B. State Common Law*

In *Williams v. Weisser*,<sup>26</sup> an anthropology professor sued a publisher of "class notes" in state court to enjoin the publisher from continuing to transcribe and publish the professor's oral lectures delivered in class, and to recover damages for the unauthorized publication. The issue before the trial court was "whether a college professor has literary property rights in his lectures delivered by him at a university and whether he may recover damages for any misappropriation or unauthorized reproduction and sale thereof."<sup>27</sup> The trial court described the case as one of first impression.

Starting in January 1963, Weisser, the defendant publisher, operated a business near UCLA first called "Fybate Notes" and later called "Class Notes."<sup>28</sup> Weisser hired mostly graduate students to register as auditors for various UCLA courses and take notes of the lectures. Weisser then reproduced these notes and sold them to students enrolled in the courses.

23. 17 U.S.C. § 8 (1976 ed.) (1909 Act).

24. See *Sherrill* at 686-88, 690.

25. *Id.* at 687.

26. The trial court's opinion is reported at 153 U.S.P.Q. 866 (Cal. Super. Ct. 1967). The state court of appeals' opinion is reported at 78 Cal. Rptr. 542 (App. 1969).

27. *Williams*, 153 U.S.P.Q. 866.

28. Sometime before September 1965, Weisser was required to stop using the name "Fybate Notes" because he had, without authority, knowingly pirated that name from a long-established similar business conducted on the U.C. Berkeley campus. *Id.* at 866 n.1.



Weisser wished to advertise his services in the UCLA campus newspaper. Before the university would allow him to advertise there, the university required him to agree to several conditions. On January 18, 1963, he agreed with UCLA, in writing, to comply with the following:

- 1) In any ad, Weiser agreed to specify the name of the course and the course instructor.
- 2) Each individual instructor must agree, in writing, to allow a note taker to attend his course and forward the notes to Fybate Notes for copying and sale.
- 3) Weisser agreed to send a copy of the agreement between the instructor and Fybate Notes to the Dean's office before Weisser advertised that notes were for sale.
- 4) Fybate Notes must not advertise course notes without the instructor's permission.

Shortly after Weisser signed this agreement, he violated it. Several instructors complained that unauthorized notetaking was occurring in their courses. In April of 1963, UCLA wrote a letter to Weisser calling these complaints to his attention and warning him that unless he obtained instructor permission, UCLA would no longer allow him to operate his business there.

On November 19, 1964, UCLA's Vice Chancellor sent a letter to faculty members advising them that their lecture notes belonged to them. The letter—prompted by Weisser's notetaking business—informed the faculty that “[i]t appeared quite clear that, under California recognition of common law copyright, the lecturer retains a property right to his words spoken before a limited audience. . . .” The letter further stated that “any unauthorized duplication and distribution of these words . . . may, therefore, constitute an infringement of this right. . . . It is emphasized that the common law copyright in any lecture is the property of the lecturer rather than the university. . . .”<sup>29</sup>

In the summer of 1965, UCLA hired Williams as an assistant professor of anthropology. In the fall of 1965, Williams taught an anthropology course and learned that Weisser had installed a student notetaker in the course. Weisser had neither sought nor obtained Williams' permission to install a

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29. *Id.* at 867-68.

notetaker in the course. Weisser reproduced the notes, advertised them in his store and the campus newspaper and sold them for \$5.00 a set. Weisser stamped each set of notes with the words "Copyright 1965, Class Notes."

Williams sued Weisser under California's common law of copyright and torts. Williams requested 1) a permanent injunction and 2) damages for (a) misappropriation or infringement of his literary property in his lectures and (b) unauthorized use of his name in conjunction with the sale of the pirated lectures. With respect to the "unauthorized use of name" claim, Williams asserted that Weisser's version of Williams' course material contained "omissions and distortions" that reflected poorly on Williams' scholarship and reputation and caused him mental distress, anxiety and wounded feelings.

At trial, Weisser argued that since Williams was employed by the university when he delivered the lectures, the lectures belonged to the university and not to Williams. Weisser based this argument on Section 2860 of the California Labor Code, which provided that everything which an employee acquires because of his employment (except for his compensation) belongs to his employer.<sup>30</sup>

The trial court ruled that Section 2860 of the California Labor Code was designed to prevent an employee from unfairly competing with his employer or disclosing the employer's trade secrets. According to the court, this section of the code did not apply to the Williams-Weisser dispute. The court further stated that Williams "did not lose his literary right to the lectures because his employment may have furnished him with the opportunity or occasion for utilizing his prior learning and education and knowledge acquired in his chosen field of Anthropology."<sup>31</sup> The trial court found that the university's November 1964 letter to the faculty was of "paramount importance" in resolving the lawsuit because this letter constituted the "apparent relinquishment of any rights to such literary property by the university, if indeed it ever possessed any." Further, the court found that the letter's "policy statement" was a part of the uni-

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30. This statute has apparently not been amended since *Williams* was decided. In its entirety it provides: "Everything which an employee acquires by virtue of his employment, except the compensation which is due to him from his employer, belongs to the employer, whether acquired lawfully or unlawfully, or during or after the expiration of the term of his employment." CAL. LAB. CODE § 2860 (West 1989).

31. 153 U.S.P.Q. at 867.

versity's contract with "any instructor thereafter contracting with the university," such as Williams.<sup>32</sup>

As to Williams' misappropriation claim, the trial court held that because of the university's 1964 letter to the faculty, Williams' lecture notes were his property. "[A]n author's common law copyright," said the court, "may exist in lectures and other works that are performed, as well as in writings."<sup>33</sup> The court ruled that Weisser had infringed Williams' common law copyright.<sup>34</sup> As to Williams' "unauthorized use of name" claim, the trial court ruled that Weisser had invaded Williams' privacy by using Williams' name without permission.<sup>35</sup> The trial court permanently enjoined Weisser from "copying, publishing and selling notes of lectures delivered by [Williams]."<sup>36</sup> Additionally, the trial court awarded Williams \$1,000 in compensatory damages and \$500 in punitive damages.<sup>37</sup> Weisser appealed to the California Court of Appeals, which affirmed the trial court's decision. The court of appeals ruled that "in the absence of evidence the teacher, rather than the university, owns the common law copyright to his lectures."<sup>38</sup>

In reference to Section 2860 of the California Labor Code, the court of appeals agreed with the trial court's interpretation that the section was designed to prevent an employee from unfairly competing with his employer or disclosing the employer's trade secrets and did not apply to Williams' lectures.<sup>39</sup>

The court of appeals rejected Weisser's argument that Williams was either "an employee for hire whose employment calls for the creation of a copyrightable work, or . . . an independent contractor who has been so commissioned."<sup>40</sup> The court of appeals identified several policy reasons supporting the rule that the professor, and not the university, owns the professor's lectures.

First, the court of appeals found that a university has an obligation to its students to make a course matter available to

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32. *See id.* at 867-68.

33. *Id.* at 868.

34. *Williams*, 78 Cal. Rptr. at 543.

35. *Id.*

36. *Id.*

37. *See id.*

38. *Id.* at 545.

39. *See id.* at 546.

40. *Id.*

them by various means including classroom presentations. However, the university is not required to present that matter by any particular expression. No custom, said the court, suggests that a university can prescribe *how* a professor expresses the ideas he presents to his students. Although the court did not use the term, the underlying concept of the decision was academic freedom.

Second, the court of appeals could not identify any reason why a university would want to retain the ownership in a professor's expression: "[s]uch retention would be useless except possibly for making a little profit from a publication and for making it difficult for the teacher to give the same lectures, should he change jobs."<sup>41</sup>

Third, the court of appeals stated that professors are "a peripatetic lot," moving from one university to another, creating a course at one university and developing it at another.<sup>42</sup> The court observed that the same was true with Williams: the notes that formed the basis of his anthropology lectures at UCLA were derived from a similar course he had taught at another university. If a university owned a professor's lectures, then those ownership rights would belong to the university where Williams had taught earlier, and subsequent use of that material would be an infringement upon those rights. Further, if Williams were to move from UCLA to another university, UCLA could enjoin him from using the material he had developed at UCLA.

Fourth, the court of appeals asserted that if a university owned a professor's lectures, "to determine just what it is getting, the university would have to find out the precise extent to which a professor's lectures have taken concrete shape when he first comes to work [because] a contract for employment [does not imply] an assignment to the university of any common law copyright which the professor already owns."<sup>43</sup>

The court of appeals also noted that "[u]niversity lectures are sui generis."<sup>44</sup>As a unique kind of intellectual product, they should not, "[a]bsent compulsion by statute or precedent," be automatically treated like other intellectual products that em-

41. *Id.*

42. *Id.*

43. *Id.*

44. *Id.* at 547

ployees create.<sup>44</sup>

The court of appeals relied in part on *Sherrill v. Grieves*, emphasizing the *Sherrill* court's statement that "[t]he court does not know of any authority holding that such a professor is obliged to reduce his lectures to writing or if he does so that they become the property of the institution employing him."<sup>45</sup> The court of appeals noted a possible distinction between *Sherrill* and *Williams*: the *Sherrill* court had said that Sherrill's book was prepared "in his leisure time, not as an incident to his work as instructor."<sup>46</sup> But the court of appeals found the distinction "illusory": "[s]ince it is not customary for a college to prescribe the hours of the day when a teacher is to prepare for class, it follows that the time when he does so automatically ceases to be leisure time."<sup>47</sup> Thus, the court of appeals found no real difference between instructor Sherrill and Professor Williams for copyright purposes. The notes that each made related directly to the subjects he taught, but neither Sherrill nor Williams had a duty to make notes, nor a duty to prepare for his classes during any fixed hours.<sup>48</sup>

### C. The 1976 Copyright Act

In *Weinstein v. University of Illinois*,<sup>49</sup> a pharmacy professor sued his co-authors, several university administrators, and the university because a co-author had published their article in an academic journal and listed the plaintiff's name last instead of first in the article's list of authors.

Weinstein was appointed an assistant professor of pharmacy administration in the College of Pharmacy of the University of Illinois at Chicago in 1980. This was a tenure-track appointment. At that time, tenure-track professors at the University of Illinois had contracts specifying that the professor had no expectation of renewal. A tenure-track professor was

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44. *Id.* at 547. The court of appeals cited cases involving valve designs, motion picture background music, commercial drawings, mosaics designed for the Congressional Library in Washington, D.C., high school murals, song stylings, radio scripts, commercial jingles, lists of courses taught by a correspondence school, a treatise on the use of ozone, and a treatise on larceny and homicide.

45. *Id.* at 549 (quoting *Sherrill v. Grieves*, 57 Wash. L. Rep. 286, 20 Copyright Office Bulletin 675 (D.C. 1929)).

46. *Id.* at 549 (quoting *Sherrill*, 20 Copyright Office Bulletin at 686).

47. *Id.*

48. *See id.*

49. 811 F.2d 1091 (7th Cir. 1987).

periodically evaluated by the faculty and at the end of six years the professor would either be given tenure or released.

In or before 1983, Weinstein and two colleagues (Belsheim, who was also an assistant professor in the College of Pharmacy, and Hutchinson, who was the Director of Pharmacy Practice at the University of Illinois Hospitals) designed a clinical program for practicing pharmacists. The university funded the program in August of 1983. Weinstein, Belsheim and Hutchinson agreed to write a paper discussing the program. Weinstein believed he had an agreement with Belsheim providing that Weinstein would be the first-listed author of the paper.

In January of 1984, Weinstein gave Belsheim a draft of the paper with Weinstein as the first-listed author. Belsheim was displeased with the paper and disagreed with Weinstein about what topics to cover and what conclusions to draw. In 1985, Belsheim produced another draft which revised the text and which listed the authors alphabetically (with Belsheim's name first and Weinstein's last). Weinstein disliked the new name-order and the new text. Belsheim and Weinstein discussed the dispute with the Dean of the College of Pharmacy. In mid-July, 1985, the dean suggested that the authors resolve the disagreement themselves and urged them to submit the article for publication as soon as possible. Three days later, Belsheim submitted the article to the American Journal of Pharmaceutical Education. The article was published in the journal's Summer 1986 issue.

The university had formally evaluated Weinstein's performance for the first time in 1983. He had not yet published anything in a refereed journal and the evaluation was predictably negative. He was advised of the need to publish. In the spring of 1984, when his second evaluation occurred, he had still not published anything, and received another negative review. The university gave Weinstein a terminal contract, expiring August 31, 1985. Therefore, by the time the American Journal of Pharmaceutical Education published the Belsheim-Hutchinson-Weinstein article in 1986, Weinstein had been released from the University of Illinois and was looking for another academic job.

After publication of the disputed article, Weinstein sued his co-authors, the Dean of the College of Pharmacy, his department head, two other faculty members, the university trustees,

and the university itself. He argued that defendants had distorted his work and stolen the credit by listing his name last instead of first. He argued that listing his name last diminished his accomplishments in the views of other professors and thereby made him a less attractive candidate in his search for another academic position. According to Weinstein, publishing the article with his name listed last violated the Due Process Clause of the Fourteenth Amendment and 42 U.S.C. § 1983.<sup>50</sup> His due process claim was that by listing his name last, the university had deprived him of property without due process.

The federal district court found that the university owned the article's copyright rather than Weinstein because the material was a work for hire. Therefore, the university could do what it liked with the article. Subsequently, the district court dismissed Weinstein's suit for failure to state a claim.<sup>51</sup> Following the dismissal, Weinstein appealed.<sup>52</sup>

The Federal Court of Appeals for the Seventh Circuit observed that the 1976 Act gave an employer full rights in an employee's work for hire unless a contract provided otherwise. "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>53</sup>

The Seventh Circuit noted that the University of Illinois, along with many other academic institutions, had responded to the 1976 Act by adopting a university copyright policy defining "work for hire" for purposes of its professors. According to the court, the University of Illinois' policy was a part of each professor's contract with the university. Under that policy, a professor retained the copyright unless the work fell into one of three categories:

- (1) The terms of a University agreement with an external party require the University to hold or transfer ownership in the copyrightable work, or

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50. This statute basically provides that anyone who, under color of state law or custom, deprives a U.S. citizen of any rights secured by the U.S. Constitution and federal law, shall be liable to that party.

51. *Weinstein*, 811 F.2d at 1093.

52. All three judges on the appellate panel in *Weinstein* (Richard D. Cudahy, Frank H. Easterbrook, and Richard A. Posner) have had experience as law school professors, and are currently adjunct professors at various Chicago-area law schools. All three have published law review articles. See ALMANAC OF THE FEDERAL JUDICIARY, VOL. 2 (1999).

53. 811 F.2d at 1094.

(2) Works expressly commissioned in writing by the University, or

(3) Works created 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 University work. If such requirements or duties are not so specified, such works will be those for which the topic or content is determined by the author's employment duties and/or which are prepared at the University's instance and expense, that is, when the University is the motivating factor in the preparation of the work.<sup>54</sup>

The district court ruled that paragraph three covered Weinstein's work because the university funded the program that led to the article and because Weinstein's appointment required him to write.

However, the Seventh Circuit ruled that the trial court had misinterpreted the university's work for hire policy. According to the court of appeals, the trial court's finding that the article was specifically required by Weinstein's job

collides with the role of the three categories as exceptions to a rule that faculty members own the copyrights in their academic work. A university "requires" all of its scholars to write. Its demands—especially the demands of departments deciding whether to award tenure—will be "the motivating factor in the preparation of" many a scholarly work. When [the Dean of the College of Pharmacy] told Weinstein to publish or perish, he was not simultaneously claiming for the University a copyright on the ground that the work had become a "requirement or duty" within the meaning of paragraph (3). The University concedes in this court that 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, see M. Nimmer, *Copyright* § 5.03[B][1][b] (1978 ed.), a tradition the University's policy purports to retain. The tradition covers scholarly articles and other intellectual property.<sup>55</sup>

According to the Seventh Circuit, the University of Illinois'

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54. *Id.*

55. *Id.*



“work for hire” policy appeared to apply “more naturally” to administrative reports than journal articles. If the university wished to show that the policy had a broader application, it should provide evidence of the discussions underlying the policy and how the university had previously applied the policy. The court noted that the Dean of the College of Pharmacy had not submitted an affidavit stating that professors regularly obtain consent or a copyright transfer before publishing articles. Regarding the disputed article, the court stated that if the University of Illinois owned the copyright to the article, then the co-authors would have needed the university’s consent to publish it. The Dean had directed Weinstein to publish it but did not direct him to ask the university for permission to do so. Finally, the court of appeals doubted that any professor in the College of Pharmacy treated his academic work as the university’s property.<sup>56</sup>

The Seventh Circuit said that if the University of Illinois’ faculty owned the copyright in their scholarly articles, then the disputed article would be a joint work under 17 U.S.C. § 201(a), which states that the authors of a joint work are co-owners of copyright in the work. In that case, Weinstein’s dispute with Belsheim was a contract dispute governed by state law.<sup>57</sup> In any event, the court held that Weinstein failed to state a federal claim, and affirmed the trial court’s dismissal of Weinstein’s suit.<sup>58</sup>

In *Hays v. Sony Corporation of America*,<sup>59</sup> two high school teachers sued Sony Corporation alleging infringement of their copyright to instructional materials. Hays and MacDonald (plaintiffs) taught business courses at a public high school in Illinois. In 1982 or 1983 they prepared a manual for their students on how to operate the school’s DEC word processors, and distributed the manual to students and other teachers. The school district then bought word processors from Sony (defendant), gave the plaintiffs’ manual to Sony and asked Sony to modify it for use with Sony’s word processors. Sony produced a manual very similar to, and in some places a verbatim copy of, plaintiffs’ manual. In 1984, Sony distributed its manual to the school district and later to the students. Sony did not charge

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56. See *id.* at 1094-95.

57. See *id.* at 1095-96.

58. See *id.* at 1098.

59. 847 F.2d 412 (7th Cir. 1988).

the school district for its manual and did not provide it to anyone else.

In 1985, plaintiffs, apparently prompted by the existence of Sony's manual, registered their manual with the U.S. Copyright Office and sued Sony in federal court. Plaintiffs claimed that Sony had violated their rights under both Illinois common law copyright and federal statutory copyright. Plaintiffs alleged that Sony had made large profits by appropriating plaintiffs' manual. Plaintiffs requested an accounting for profits, compensatory and punitive damages, and an injunction.

The trial court dismissed the lawsuit for failure to state a claim, and plaintiffs appealed.<sup>60</sup> The court of appeals affirmed the dismissal of the lawsuit, finding that plaintiffs' counsel had filed the appeal too late.<sup>61</sup> The court of appeals nevertheless discussed the merits of plaintiffs' case in dicta.

As to plaintiffs' common law copyright claim, the court of appeals found that claim frivolous because the 1976 Copyright Act abolished common law copyright as of January 1, 1978, and plaintiffs wrote their manual after that date.<sup>62</sup> As to plaintiffs' federal copyright claim, the court of appeals found the claim valid, but ruled that an injunction was the only remedy plaintiffs might have been entitled to if their appeal had been timely.<sup>63</sup>

The court of appeals then addressed at length the application of the work for hire rule to the case. The trial court had ruled that plaintiffs' manual was a work for hire prepared for the school district, thus they had no copyright for Sony to infringe.<sup>64</sup> The court of appeals observed that until 1976, the statutory term "work made for hire" was not defined and that some courts had adopted a "teacher exception" under which academic writing was presumed not to be a work for hire. The authority for this exception was thin; not because the merit of the exception was doubted but because "virtually no one ques-

60. See *id.* at 413. Two of the three judges on the appellate panel hearing the *Hays* case (Frank H. Easterbrook and Richard A. Posner) also sat on the panel hearing *Weinstein v. University of Illinois*. The third judge on the panel in *Hays*, Joel D. Flaum, has (like Judge Easterbrook and Judge Posner) had experience as a law school professor, is currently an adjunct professor at a Chicago-area law school, and has published law review articles. See ALMANAC OF THE FEDERAL JUDICIARY, VOL. 2 (1999).

61. *Hays*, 847 F.2d at 419.

62. See *id.* at 415.

63. See *id.* at 415-16.

64. See *id.* at 416.

tioned that the academic author was entitled to copyright his writings"<sup>65</sup>

The court of appeals observed that college and university teachers write academically as a part of their job and use their employer's resources (paper, copier, etc.) in the process. However, under pre-1976 copyright law, "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 such writing belonged to the teacher rather than to the college or university."<sup>66</sup> Good reasons, said the court, support the assumption because "[a] college or university does not supervise its faculty in the preparation of academic books and articles and is poorly equipped to exploit their writings, whether through publication or otherwise."<sup>67</sup>

Unlike the 1909 Copyright Act, the 1976 Act does define the term "work made for hire." One of the definitions of that term is "a work prepared by an employee within the scope of his or her employment."<sup>68</sup> The 1976 Act provides also that "in the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author . . . and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright."<sup>69</sup>

The court of appeals stated that it was "widely believed" that the 1976 Copyright Act abolished the teacher exception, citing two law review articles<sup>70</sup> and its own decision in *Weinstein v. University of Illinois*.<sup>71</sup> According to the court of appeals, if the 1976 Act did abolish the teacher exception, this was probably inadvertent because "there is no discussion of the issue in the legislative history, and no political or other reasons come to mind as to why Congress might have wanted to abolish

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65. *Id.*

66. *Id.*

67. *Id.* The court suggested that "where a school directs a teacher to prepare teaching materials and then directs its other teachers to use the materials too," the materials might be a work for hire.

68. 17 U.S.C. § 101 (1999).

69. *Id.* § 201(b).

70. Rochelle Cooper Dreyfuss, *The Creative Employee and the Copyright Act of 1976*, 54 U. CHI. L. REV. 590, 597-99 (1987); Todd F. Simon, *Faculty Writings: Are They "Works Made for Hire" Under the 1976 Copyright Act?*, 9 J.C. & U.L. 485, 495-99 (1982).

71. *Weinstein*, 811 F.2d at 1093-94.

the exception.”<sup>72</sup> The court of appeals suggested that the literal text of 17 U.S.C. §§ 101 and 201(b) of the 1976 Act appeared to abolish the exception: “The argument would be that academic writing, being within the scope of academic employment, is work made for hire, per se; so, in the absence of an express written and signed waiver of the academic employer’s rights, the copyright in such writing must belong to the employer.”<sup>73</sup>

The court, however, suggested that a contrary reading of the statute was possible—at least in cases where the teacher’s writing was not “prepared for the employer”—since 17 U.S.C. § 201(b) “appear[s] to require not only that the work be a work for hire but that it have been prepared for the employer.”<sup>74</sup>

The court of appeals identified two policy reasons for interpreting the 1976 Act as not abolishing the teacher exception. First, abolishing the teacher exception would wreak “havoc” in the settled practices of academic institutions. Second, there was a lack of fit between the policy of the work for hire doctrine and the conditions of academic production.<sup>75</sup>

The court of appeals said that, for purposes of the instant case, it was unnecessary to decide whether the teacher exception survived the 1976 Act because even if that statute abolished the exception, Hays and MacDonald might have a valid federal copyright infringement claim which could proceed if their counsel had filed a timely appeal. This was true since unlike college and university teachers, high school teachers are typically not expected to produce writing as part of their jobs. Thus, plaintiffs’ manual may have been outside the scope of their employment, especially since they apparently prepared the manual on their own initiative without their superiors’ direction or supervision.<sup>76</sup>

72. *Hays*, 847 F.2d at 416.

73. *Id.*

74. *Id.* at 417.

75. *See id.* at 416.

76. *See id.* at 417. The court of appeals noted that, “[a]t argument Sony tried to distinguish between the manual and what college and university teachers write on the ground that the manual is ‘boring,’ insignificant, and in short unworthy of legal protection. In making this argument Sony’s counsel either betrayed a lack of familiarity with academic writing or was exhibiting an exaggerated deference for members of this panel.”

## V. THE DIGITAL MILLENNIUM COPYRIGHT ACT

In October of 1998, Congress enacted the Digital Millennium Copyright Act ("DMCA").<sup>77</sup> This Act is designed primarily to address the complex issues of copyright on the Internet. Title II of the Act governs the copyright liability of Internet service providers (ISPs) and online service providers (OSPs) and generally grants them immunity from liability for the infringing activities of their subscribers in exchange for specific measures that protect copyright owners whose works are copied on the Internet. Although the Act is new, technical, and convoluted, it clearly applies to schools, colleges and universities providing Internet services. In general, unless course materials are clearly prepared as works for hire, the DMCA would seem to grant additional protection to teachers and professors claiming ownership rights in Internet course materials and in exchange grant schools, colleges and universities immunity from liability for copyright infringement claims of professors and publishers.

Historically, copyright law has imposed "absolute liability" for violation of the five traditional copyright rights (reproduction, modification, distribution, public performance and public display).<sup>78</sup> Liability is referred to as "absolute" because the copyright owner can receive injunctive relief and monetary damages regardless of whether the person violating the right did so intentionally or accidentally. In addition, copyright law imposes vicarious copyright infringement liability (also called "contributory" copyright infringement liability) when someone has infringed the copyright owner's rights, and the party being sued has the "right and ability to supervise" the infringer as well as an "obvious and direct financial interest" in the infringement.<sup>79</sup> Schools, colleges, and universities that post course materials on their Internet sites and that teach courses via the Internet, could incur both direct and vicarious copyright infringement liability.

The DMCA is found in Chapter 12 of the Copyright Act. It is technically separate from the rest of the statute because it has its own civil and criminal remedies, which are apart from the preexisting provisions governing copyrights in general. Sec-

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77. Pub. L. No. 105-304, 112 Stat. 2860 (1998).

78. See 17 U.S.C. § 106 (1999).

79. *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 262 (9th Cir. 1996).

tion 512, called the Online Copyright Infringement Liability Limitation Act,<sup>80</sup> gives ISPs and OSPs a way of avoiding liability for copyright infringement committed by their customers. Specifically, 12 U.S.C. § 512 creates four new limitations on liability for copyright infringement by service providers, which are based on four categories of conduct by a service provider. The four categories of conduct by a service provider include, (1) transitory digital network communications; (2) system caching; (3) storage of information on systems or networks at direction of users; and (4) information location tools.<sup>81</sup> Section 512 also includes special rules on the application of these limitations to nonprofit educational institutions.<sup>82</sup>

For purposes of the “transitory digital network communications” (also called the “conduit communications”) safe harbor, a service provider is “an entity offering the transmission, routing, or providing of connections for digital online communications, between or among points specified by a user, of material of the user’s choosing, without modification to the content of the material as sent or received.”<sup>83</sup> To qualify for this safe harbor, the transmission must be initiated by a third party; the transmission must be carried out automatically without selection of the material by the service provider, the service provider must not keep a copy any longer than is reasonably necessary to perform the transmission, and the material must be transmitted unchanged.<sup>84</sup>

For purposes of the other safe harbors, a service provider is defined more broadly. The broader definition includes the “conduit communications” definition as well as “a provider of on line services or network access, or the operator of facilities therefor.”<sup>85</sup> This broader definition would include schools, colleges, and universities to the extent that they perform the functions in the definition. Faculty and students would likely fit into the category of subscribers who could lose access to the system if they abuse their access to the internet through disrespect for the intellectual property rights of others.

Under the “system caching” safe harbor provisions, if some-

80. 17 U.S.C. § 512 (1999).

81. *Id.* § 512(a)-(d).

82. *Id.* § 512(e).

83. *Id.* § 512(k)(1)(A).

84. *Id.* § 512(a).

85. *Id.* § 512(k)(1)(B).

one places material online and imposes a prior condition on access, then the service provider must permit access only to those users who have met the conditions. In addition, the person making the material available online may establish rules about updating it and may utilize technological means to track the number of "hits."

In the debate which took place during the adoption of the DMCA, legislators expressed an interest in amending the Copyright Act to promote distance education. Accordingly, Section 403 of the DMCA directs the Copyright Office to consult with affected parties and make recommendations to Congress on how to promote distance education through digital technologies.

## VI. CONCLUSION

Few reported cases exist addressing the issue of whether the educational institution or the faculty member owns the copyright to teaching materials prepared by a faculty member. All the reported cases that do exist have either held, or stated in dictum, that the copyright to the materials at issue in those cases belonged to the faculty member, at least in the absence of an explicit agreement to the contrary between the institution and the faculty member. Thus, cases have essentially followed the "teacher exception" to the work for hire rule.

These cases identify various policies that support the teacher exception to the work for hire rule. The policies include the following:

- 1) Given the traditionally limited commercial value of a teacher's lecture notes, an educational institution would typically have no reason to want copyright ownership of such lecture notes.<sup>86</sup>

- 2) In the college and university context, professors often move from one college or university to another, creating a course at one institution and developing it at another. If a professor developed lecture notes (or other teaching materials) at one college or university, and that institution owned the professor's lecture notes or other teaching materials, then it would be difficult for the professor to move to another institution, as the first institution would be able to enjoin him from using the

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86. See Williams, 78 Cal. Rptr. 546 (Ct. App. 1969).

materials he had developed there.<sup>87</sup>

3) In determining who owns a professor's lecture notes or other teaching materials, the institution hiring that professor would have to find out the precise extent to which the new professor's lectures have taken concrete shape when he first comes to work because a contract for employment does not imply an assignment to the institution of any copyright which the professor already owns.<sup>88</sup>

4) In the college and university context, a professor's lectures are a unique kind of intellectual product and should not automatically be treated like other intellectual products that employees create.<sup>89</sup>

5) Abolishing the teacher exception would "wreak havoc" in the settled practices of academic institutions.<sup>90</sup>

6) There is a lack of fit between the policy of the work for hire doctrine and the conditions of academic production.<sup>91</sup>

In *Community for Creative Non-Violence v. Reid*,<sup>92</sup> the U.S. Supreme Court ruled that to determine whether a work is for hire under the 1976 Copyright Act, a court should first ascertain, under general rules of the common law of agency, whether the work was prepared by an employee or an independent contractor. If the work was prepared by an employee and within the scope of employment, then it was a work for hire pursuant to subsection one of the work for hire definition of 17 U.S.C. § 101. The Supreme Court's analysis in *Reid* suggests that to determine whether the work was within the scope of employment, the court should also look to the common law of agency. If, by contrast, the work was prepared by an independent contractor, and falls within one of the enumerated categories in subsection two of the work for hire definition of 17 U.S.C. § 101, then it is a work for hire *only if* the parties have expressly so agreed in a signed writing.

When a faculty member is an employee who creates a copyrightable work, and has not agreed with his or her employer on

87. *See id.*

88. *See id.*

89. *See id.* at 547.

90. *See Hays*, 847 F.2d at 416 (7<sup>th</sup> Cir. 1988).

91. *Id.*

92. *Reid*, 490 U.S. at 737.



who will own the copyright to the work, *Reid* appears to require the court to look to the common law of agency for guidance in deciding whether the work was created within the scope of employment. In such a case, the Restatement of Agency counsels a court to consider the kind of work the employee was hired to do, whether it occurred within authorized time and space limits, and whether it was actuated, at least in part, by a motive to serve the employer.

With a faculty member who is an employee of an educational institution, a court should presumably look most closely at the kind of work the faculty member was hired to do, in determining the scope of employment issue. The time and space factors are probably of limited value in determining the scope of employment, since teachers and professors customarily prepare for class at many times during the day and week, and in their offices, their homes, and sometimes other places.<sup>93</sup> All such times and places may well be authorized by the educational institution. The employee motivation factor is probably also of limited value in determining the scope of employment since a teacher or professor who prepares course materials is presumably always motivated at least in part to serve the educational employer.

In most instances, course materials developed by a teacher or professor and posted to the educational employer's Internet site for use in an online course probably belong to the teacher or professor, in the absence of a contrary agreement between the educational employer and the faculty member. The materials could belong to the educational employer if the teacher or professor is specifically assigned to develop course materials.

The law is somewhat ambiguous and has been complicated by the enactment of the DMCA which categorizes educational institutions as "service providers" and teachers, professors and students as "users." Faculty wishing to preserve ownership rights in copyrightable materials they develop would seem to have a stronger argument in favor of ownership if they require "passwords" or other limiting devices to screen access to the materials. Faculty might also consider posting the materials

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93. For example, faculty members have been known to prepare for class in libraries, coffee shops, parks, and other places besides their offices and their homes.

with private service providers rather than with school or university providers so as to protect their copyright under the 1976 Copyright Act and the DMCA.