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Schooled: Collaborative Intellectual Property Development in an Educational Setting

Nonprofits, schools, teachers, students, program participants, and administrators often collaborate to promote learning in new and engaging ways. As they work together towards the fulfillment of important goals, oftentimes original materials are developed along the way. Because these materials may be protectable under copyright law, a nonprofit organization should be aware of certain legal issues when it engages in a collaborative creation process with others.

This Legal Alert answers common questions that a nonprofit organization should be asking when it works with others to develop intellectual property, and then presents hypothetical situations to identify typical problems and possible solutions.

Questions to Consider

What are joint works, collective works, and derivative works?

When people work together to create and use each other's materials, under United States copyright law, this may result in the creation of **joint works**, **collective works**, or **derivative works**. The distinction between joint works, collective works, and derivative works can be difficult to discern. Indeed, various aspects within a single work could fall within all three of the categories. The analysis to determine what type of work has been created is fact-specific, and nonprofits should consult with an attorney in order to understand what intellectual property rights may exist with respect to the work, as each classification has its own consequences under copyright law. Generally speaking, however:

A **joint work** is created by two or more "authors"¹ who intend for their contributions to be merged into inseparable or interdependent parts. Certain types of work are more commonly made jointly, such as songs, movies, and operas, but ultimately, any copyrightable material can be a joint work.

A **collective work** is created when two or more authors' works are joined together into one work; however, the primary intent of the authors in creating their own contributions was to have them be separate works. Typical examples of collective works include poetry anthologies and collections of short stories.

A **derivative work** is a work that is based in whole or substantially upon one or more pre-existing works (*e.g.*, a translation, fictionalization, motion picture version, etc.).

¹ Under copyright law, the creator of a work is referred to as an "author" regardless of the media in which the work is produced.

How do you know if you have created a joint work or a collective work?

Joint works and collective works are made by two or more authors. To know if there might be more than one author, nonprofits should clearly identify who is contributing to a work and understand each individual's relationship to the organization. If there are multiple contributors to a work, and each of the contributors retains an ownership interest in their own intellectual property (see next question), a joint work or a collective work may be created.

How do you know if a contributor will have an ownership interest in the final work?

The answer to this question depends on each contributor's relationship to the nonprofit. Under copyright law, these relationships fall generally into one of two categories:

- *Employees.* If the contributor is an employee of the nonprofit and is engaged in work within the scope of his or her employment, then the nonprofit will likely own such work as a work for hire.
- *Independent Contractors.* If the contributor is not an employee of the nonprofit, then the individual or the entity that creates or helps to create the copyrightable material will likely have an ownership interest in such material. Nonprofits should be aware that, depending on the circumstances, volunteers, interns, and program participants may be considered independent contractors under copyright law.

Essentially, nonprofits should be on alert whenever non-employees are contributing to the development of intellectual property with employees. If it is unclear whether an individual is an employee or an independent contractor, nonprofits should consult with an attorney in order to fully understand the implications from an intellectual property law perspective.

How do you know if you have created a derivative work?

Derivative works are created when original contributions are made to pre-existing works. Classic examples of derivative works include translations, movies based on novels, and sculptures based on a drawing. However, derivative works only require that a person borrow substantially from a pre-existing work, so derivative works could even include something like a revision of a website. Derivative works are *not* created when minor adjustments or contributions are made to the underlying work. A new author's contributions must show originality that is of a distinguishable variety and more than trivial in order to be considered a derivative work.

Why is it important to understand whether you have created a joint work, a collective work or a derivative work?

Each classification has different legal consequences; it is important to understand what is being created in order to understand what the nonprofit's ownership rights are with respect to the work.

Joint Works

While jointly owning a work with a third party can give rise to numerous legal issues, nonprofits should particularly keep in mind the following three issues:

Joint Ownership. When a joint work is created, the co-authors jointly own the entire work – not just his or her contribution to the work. Courts usually find that each co-owner owns an equal share of the entire joint work (e.g., if there are three authors, each owns 33.3% of the work regardless of their input). The co-authors do not own their own contributions individually and cannot use their own contributions independently from the joint work.

Duty to Account. Each joint author has a duty to account to the other joint owners for a ratable share of any profit from the use or licensing of the joint work. This means that joint owners must distribute any such profits to the other joint owners in proportion to each joint owner's ownership rights. Joint owners can enter into a written agreement to waive this obligation.

Right to Use and License. Each joint owner can fully exploit his or her copyright rights independently, e.g., by using, copying, preparing derivative works of, distributing, licensing or performing the joint work. However, joint owners cannot grant true exclusive licenses because one joint owner cannot prevent other joint owners from granting licenses to third parties.

Collective Works

Generally speaking, in a collective work, each author retains full ownership of his or her independent contributions to the collective work, and the author who compiles the contributions will own the copyright in the collective work. Ownership of the copyright in the collective work means ownership only of the elements that are original to the author who makes the collective work – for example, the particular arrangement or compilation of the individual works. The authors of the individual contributions do not have an ownership interest in the collective work; the author of the collective work does not have any ownership interest in any other author's individual contributions.

Prior to making a collective work, it is important to obtain permission of the authors of the individual works to include such works in the compilation, as inclusion of a work without permission could constitute copyright infringement.

Derivative Works

Nonprofits should be aware that any time you use another's copyrightable material to create your own work, you likely need permission to do so. Usually this permission comes in the form of a license agreement where the original author grants the right to use the work to create derivative works. If permission is not obtained, then the subsequent work could infringe on the original author's copyright. Careful attention should be paid to the scope of the license to create derivative works. Oftentimes, such licenses are limited by medium or

length of time. In addition to obtaining permission to create the derivative works, the license agreement should establish the ownership of the derivative works contractually to avoid any confusion.

Finally, it is important to note that copyright protection in the derivative works only extends to material that is original to the author of the derivative works and it does not serve to extend the length of protection in the underlying copyrighted work. If the underlying work is in the public domain (*i.e.*, its copyright term has expired and is no longer protected), the author of the derivative works will not be able to prevent others from making use of the public domain material themselves. For example, if you created a *Tom Sawyer* online game, you could not prevent anyone else from using Mark Twain's novel to create their own copyrightable material (whether it is a game or a movie, or any other medium). However, you could prevent people from copying the elements of your game that *do not* appear in the original Mark Twain novel.

We have been generating intellectual property for some time; what do we do now?

If you have been creating intellectual property in collaboration with others or derived from materials owned by third parties, especially if it is valuable intellectual property, then it is important for you to consult an intellectual property attorney.

An attorney will help you determine whether your work is protectable and what type of work you have created (joint, collective, or derivative), and will be able to advise you on how to proceed in a way that aligns with your organization's goals. For example, an attorney can help you negotiate with other joint owners, obtain any necessary licenses, waivers, and assignments, and even obtain copyright registration for the work.

When should we look for an attorney?

Typically, it is easier to discuss the process of intellectual property development with an intellectual property attorney **prior to** engaging in any development activities. That way the attorney can help pre-plan the development process and draft the appropriate template agreements that all contributors are required to enter into prior to beginning their work. This manages the expectations of everyone involved and can help prevent any disputes later on.

Even if the development process has already begun or has been completed, an intellectual property attorney can assist in negotiating any assignment agreements with the other authors to obtain ownership of the copyrighted material.

Hypothetical Scenarios

The following hypotheticals provide some potential scenarios that nonprofits may encounter with respect to the creation of intellectual property. In each scenario, we have highlighted areas of concern and potential approaches to each situation.

Evolving Curriculum

Hypothetical: A New York charter school (the “School”) hired an independent contractor, William Creator, to develop curriculum for its new after-school arts and literature program. In its agreement with Mr. Creator, the School did not discuss who would own the copyright of the materials created or how it could be used. The School has been using the curriculum for several years within its classroom, but over time, it has added to it. After several years, what was a 100-page curriculum has blossomed into a 150-page curriculum that the School considers invaluable to its program. Now, the School wants to license out its curriculum to programs in other states, including as part of a very exciting opportunity with a Minnesota high school. The Minnesota school sends over an agreement pursuant to which it would receive a license to the 150-page curriculum. The Minnesota school also asks the School to represent and warrant that it owns or otherwise has the right to license the curriculum and has the right to license it to the Minnesota school.

Issues Raised and Potential Approaches:

- *Ownership in the Original Curriculum:* The School likely cannot make the statement that it owns the curriculum outright. Because Mr. Creator was an independent contractor, he retained ownership over the underlying material. Therefore, the School probably only has an implied license to use the curriculum in its programming and may not have the right to license it out to others to use.
- *Ownership in the New 50 Pages:* In addition to not having ownership over the original 100-page curriculum, the new 50 pages may be considered to infringe the underlying 100 pages. From the fact pattern, there is no indication that Mr. Creator gave the School the right to make alterations or updates to the underlying 100-page curriculum. Ultimately, the School should discuss its situation with an intellectual property attorney to evaluate the risks of entering into the agreement with the Minnesota school. The intellectual property attorney may also look into whether it makes sense to approach to Mr. Creator and ask for either an assignment of the rights or other clarification of the School’s license rights.

Scholarship Fundraiser

Hypothetical: As a fundraiser, the School’s English teachers decide that it will hold a scholarship contest where all students can submit works of art or authorship, such as photographs, poems, short stories, and paintings. The winners of the contest will get small scholarships. In addition, the winners and some runners up will be published in a short, bound book that the School plans to sell at events as a fundraiser. Prior to collecting any of the submissions, the School wants to be sure it understands what rights it will have to sell the completed book.

Issues Raised and Potential Approaches:

- *Permission to Use:* The School should be aware that the students will have ownership over any of the materials that they submit to the contest. Rather than relying on any type of implied license from the students, the School should work with an intellectual property attorney to draft an agreement where the school explicitly acquires the appropriate rights to use the students' submissions.
- *Collective Work:* So long as the School obtains the appropriate permissions, it has an ownership right in the complete collection of the works (*i.e.*, the particular arrangement of the works) and has the right to use or otherwise exploit such collective work. Unless it otherwise expressly obtains the right to do so, the School does not have the right to use or exploit the individual contribution in any other way. In addition, the student-authors do not have the right to make and sell copies of the entire collection without the permission of the School.
- *Minors.* The School should consult an attorney about its ability under state law to enter into a written agreement with a minor.

A Collective Play

An after-school theater group ("Showtime Inc.") takes its programs to a new school, where its employees guide the students in writing a play together. Sometimes, the students' parents and siblings join in on the writing process. Showtime Inc. does not keep track of all of the contributors to the work of the play. At the end of an eight-week program, the students have written a complex play exploring the issues facing children in their community. Showtime Inc. helps the students put on one performance, and afterwards, it takes the script and tries to license it out to other theater groups for a fee to perform at schools.

Issues Raised and Potential Approaches:

- *Joint Work.* Each of the contributors, whether a participant in the program or not, have an argument that he or she was involved in the creation of a joint work. Here, they each contributed to a work that was intended to be merged into a single play. As a result, Showtime Inc. should be aware that these other contributors may have an equal ownership interest in the work and therefore, have the ability to use and license the play themselves. Also, Showtime Inc. has a duty to account to the other co-owners, so will have to split any of its profits with all of the original contributors. In the best case scenario, Showtime Inc. would obtain an assignment of ownership from all of the program's participants. If it is unable to do this, Showtime Inc. should at a minimum obtain a waiver from each participant regarding the duty to account.
- *Unknown Contributors.* Showtime Inc. has the unique problem of not knowing who all of its contributors are, and as a result, runs the risk that someone could come forward later claiming an ownership interest in the work and asking for compensation from Showtime Inc. To manage this risk, Showtime Inc. should keep a roster of all of

the contributors and require any such contributors to enter into a written assignment agreement prior to allowing them to participate in the program or the creation of intellectual property. If Showtime Inc. can show that this is its general practice, it may be able to successfully argue that a claimant who is not included on their participant list did not participate in the activities.

- *Minors.* A minor can claim a copyright interest in a work. Showtime Inc. should consult an attorney about its ability under state law to enter into a written assignment agreement with a minor.

This alert is meant to provide general information only, not legal advice. If you have questions about joint works, collective works or derivative works, please contact Ciarra Chavarria at (212) 219-1800 ext. 228 or visit our website at www.lawyersalliance.org for further information.

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