

## Session 2

# WHO OWNS THE IP?

# Content

## Content

- Ownership and Profit share
- Confidentiality: protecting trade secrets and patentability
- Non-Disclosure Agreements (NDA)
- Using Employment Contracts
- Website Rights
- Assignment of rights

## IP Strategy activity

- Case Study
- Employment contracts and collaboration agreement



# Legal Ownership/ Rights Holding

- Who can:
- Sell it?
- Rent it?
- Develop it?



Who owns this piece of land?

# Ownership due-diligence

## What might effect ownership of technology?

- **National law** (Law on patents, Law on Innovations, Law on authorship etc).
  - Employer ownership vs ‘Professors Privilege’.
- **Institutional regulation**
  - IP Policy – staff, students, technicians, visiting academics
- **Pre-Assignment**
  - Rights to technology contractually pre-assigned to a third party
- **Funding** (Source of funding)
  - e.g. corporate, state, etc.
- **Other Agreements**
  - Material Transfer Agreements, Memorandums of Understanding, etc.

# Controlling ownership of IP

- Enterprises and PROs and need to be able to claim and control IP generated by:
  - Employees/ research staff
  - ‘Free-lancers’/ visiting academics
  - Contractors/ collaborators
- The normal way to do this is with an IP clause in the employment/ contracting agreement or IP Policy.
  - ‘IP’ needs to be clearly defined
  - Start-ups/ enterprises: All IP rights should be clearly assigned to the company.

# 'Assignment of rights'

- A legal document transferring rights in IP from one person to another.
- Person A revokes/ transfers (all) claim(s).
- Person B is recognised as the owner with associated rights e.g. to protect and exploit.

# Example 'waiver'

- Dear Prof. X,
- The copyright of the RADAR5 code (or part thereof) was developed by Prof. Y while affiliated to our University, as described in the Invention Disclosure #1176-A1142
- The University requires no royalties and makes no claims with regard to its further use, development or exploitation by any third party.
- Sincerely,

# Example 'transfer'

- **The Assignor** is the right holder of the PCT application under the number PCT / EP2018 / 025138 (hereinafter: PCT application), and the Assignee - Prof. X is the inventor.
- The Assignor wishes to transfer its intellectual property rights to the Assignee, and is aware that the Assignee will transfer those rights to his company when the need arises.
- The Assignor and the Assignee have reached an agreement regarding a specific benefit that will accrue to the Assignor in the event of successful commercialization of the product or sale of the rights transferred by this Agreement, which agreement is defined by this Agreement.
- The Assignor shall transfer to the Assignee all the rights under the PCT Application and all other intellectual property rights based on that PCT Application under the terms of this Agreement.



# IP Toolkit: Example IP clause for Employment Contracts

- "All right, title and interest of whatever nature (including but not limited to copyright design rights and patent application rights) and all intellectual property rights and moral rights in any work undertaken or produced by the worker under or in connection with this contract or relating to the services provided hereunder will vest in and belong to the company (or the client or such third party as nominated by and at the option of the company) at all times free from any interest of the worker or any third party."

Recommendation/ checklist:

- ✓ Comprehensive **definition of intellectual property**
- ✓ Ensure proper **assignment of IP** to the Start-up

# % Ownership vs. '% Profit share'

## Legal 'Ownership'

### Responsibilities

- Patent maintenance (EURO)
- Action against infringers
- Liability for infringement

### Control

- Sale/ transfer

'Joint ownership' =



## Profit share

- 'Profit share after costs of successful commercialisation'.
- Sale or royalties from licensing.
- Typically 50% of profit shared with inventors by the

# Examples of revenue sharing from Croatia

Inventors	Faculty	University
40%	40%	20%

University of Zagreb

Inventors	Institute	
50%	50%	
	75%	Innovation fund
	15%	Laboratory
	10%	Department

Ruđer Bošković Institute

Inventors	Faculty
80%	20%

University of Zagreb Faculty of Electrical Engineering and Computing

# Group/ individual work

## Case Study

- Balkans Agri – issues in ownership

## Your PoC Project Actions

- IP Strategy activity: H – Ownership: Employment contracts and collaboration agreements



# Balkans Agri: Questions Part I (Ownership)

Q1: Do you think that the Masters supervisor had the authority to hand the early work over to his students to develop commercially? Who else might feel they had a claim on ownership?

A1: The University might make a claim on the invention. Would need to clarify position and examine relevant contracts.

Q2: Does the recent funding from the bank and a government grant affect the ownership of the IP? (Has it been 'secured' against the loan for example?)

A2: No. It is the product orders which enabled them to receive the lending, not the IP. But the company might be able to use their IP as a security in future.

Q3: Do Nenad and Anđela own the software code written by the subcontractor?

A3: Depends on the contracting agreement and the terms of the open license. They do own the code if the contract stipulates that Balkans Agri own the IP generated by the sub-contractor and if the open license is not 'copyleft'.

# Balkans Agri: Questions Part I (Ownership)

Q4: Are there any obligations related to the open source code used initially?

A4: They would need to scrutinise the open source license terms to ascertain freedoms (if any) that need to be transferred.

Q5: What steps would you take regarding the new employee's contract and taking care of IP?

A5: Ensure that there is a clear assignment of IP generated by the employee to Balkans Agri and a comprehensive definition of IP.

Q6: The new employee has been named as a co-inventor on the patent. Are there any documents that Nenad and Anđela should check relating to his previous employment that could affect the ownership of the patent if it is granted?

A6: The employee's previous employment contract needs to be checked.

Q7: Has Anđela's friend retained ownership of the Logo she designed? Do Balkans Agri have a written 'assignment' of rights from her?

A7: Angjela and Nenad need a written assignment of rights from Andjela's friend to ensure the company owns the rights to the logo they are using.

# Case study question 2: Agri Balkans

- Has Nenad possibly weakened his patent application by talking about it?
- Why?
- How will Anđela's actions help them?
- Potentially, yes. Although it depends what Nenad disclosed.
- A key criteria for patentability is novelty. If the information is in the public domain before the patent application is filed, it is considered novelty destroying prior art and will render the invention unpatentable.
- By noting what was said, Anđela can ensure they focus their application on the novel aspects which weren't publicly disclosed.

# Feedback and discussion

