

## Briefing Note: IP Ownership

Laws surrounding ownership of Intellectual Property (IP) are complex and are often overlooked. The following basic principles should be borne in mind to avoid IP ownership problems:-

### **1. Entitlement**

It is incredibly important to ensure that you (or your business) is actually *entitled* to own the IP that you believe to be yours. We regularly encounter situations where it transpires that businesses or individuals have no valid claim to ownership of IP that they may have invested in over a number of years. Paying to protect IP does not necessarily make you entitled to *own* the IP. If you want to avoid third party claims to IP then it is incredibly important to understand IP ownership issues from the outset.

### **2. Different IP rights may produce different outcomes**

There is no "one size fits all" rule when it comes to IP ownership. To illustrate this point, in the case of a company commissioning a designer to design a new trade mark logo, the legal owner of copyright in the logo will normally reside with the designer, even if the underlying trade mark rights belong to the commissioning company. However, this is in contrast to the example of contractor working on a consultancy basis for a technology company whereby the contractor may in fact be the rightful owner of any patent rights despite being commissioned to solve a technical problem by the technology company. The above general rules may be complicated depending upon the surrounding circumstances leading to unexpected ownership scenarios.

### **3. Written ownership agreements help**

The default legal position can be reinforced, overridden or reversed by drawing up a written IP ownership agreement. Ideally, such agreements should be executed by the parties involved prior to the creation of new IP rights. However, retrospective agreements can be used to resolve any historical issued with chain of title.

### **4. Early attention saves costs**

IP ownership disputes can be messy, stressful and costly for those concerned. Experience shows that there is sometimes a tendency for clients to avoid difficult questions regarding IP ownership at the outset of project, or when applying to protect IP. This can lead to difficult and expensive disputes arising at a later stage when the commercial value of the brand or invention has greatly increased.

### **5. IP can be recovered by any entitled person**

Ignoring IP ownership issues does not avoid them becoming a problem at a later stage. IP right granting authorities do not actively assess ownership issues prior to granting IP rights and so sometimes rights are granted in the name of a non-entitled entity. However, there are remedies available to those who believe that IP rights have been incorrectly granted and can produce evidence of their own entitlement.

## **6. Inventor-owned companies are not straightforward either**

You have invented a product and set up a company to commercialise it. A patent application directed to that product can be filed in the name of the company, right? Not necessarily! If you do not have a contract of employment then it may be necessary to positively assign ownership in the invention from yourself as an individual inventor to the company. This can be a particular issue for individuals who are directors and shareholders of more than one company.

*The above information is provided for background information only and should not be considered as legal advice. This information is based on the situation within the UK only.*