

# Allocating IP in Development and Collaboration Agreements

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John P. Brockland

## Introduction and Outline

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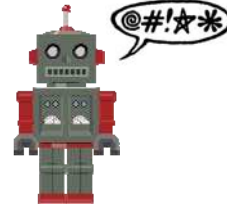
- Hypothetical
- Frameworks for Allocation
- Licenses
- Joint Ownership
- Patents—Prosecution and Maintenance
- IP Enforcement
- ROFRs

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## Hypothetical

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- **ToyCo:** Develops, makes and sells toys, including a line of remote-controlled robots
- **ScienceCo:** Develops, makes, and sells artificial-intelligence and machine-learning technologies, including in the fields of speech recognition
- **Product idea:** a toy robot that learns from interactions with humans to generate “rude noises” most likely to amuse (or annoy) individuals it encounters in the household



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## Frameworks for Allocation of IP

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- Categories
  - Background IP
    - *Existing prior to the Agreement*
    - *Developed or acquired independently of activities under the Agreement*
  - Developed IP (or “Foreground IP”)
    - *Developed in the course of activities under the Agreement*
- Technology vs IP Rights
  - Technology is software, inventions, works of authorship, etc.
  - IP Rights is abstract rights—copyrights, patent rights, etc.
  - Often useful to distinguish the two

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## Frameworks for Allocation of IP

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- Allocation by Inventorship
  - ToyCo owns what ToyCo personnel develop
  - ScienceCo owns what ScienceCo personnel develop
- Pros
  - Simple
  - Seems equitable
- Cons
  - Does not necessarily track parties' business interests
  - Does not account well for true collaboration

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## Frameworks for Allocation of IP

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- Allocation by Technology Category
  - All Developed IP related to toy robots owned by ToyCo
  - All Developed IP related to artificial intelligence and machine learning is owned by ScienceCo
  - Allocate interface IP to one party (or jointly)
- Pros
  - Tracks parties' business interests
  - Consolidates ownership of related IP, even if developed through collaboration
- Cons
  - Need to carefully draw boundaries between categories
  - Need to be careful about transferring existing IP rights that may apply to new technology

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