

Allocating IP in Development and Collaboration Agreements

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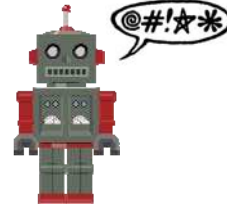
Introduction and Outline

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

12

Hypothetical

- **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



13

Frameworks for Allocation of IP

- 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

14

Frameworks for Allocation of IP

- 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

| 5

Frameworks for Allocation of IP

- 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

| 6

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