



**Simon Haslam of Abel & Imray (UK and European patent attorneys) explains, on behalf of the Chartered Institute of Patent Attorneys (CIPA), how your business can avoid pitfalls associated with the ownership of intellectual property (IP).**

you need to assess the relationship of each contributor with the person or company that wants to own the IP, and any agreement in place between the contributor and the person who wants to own the IP.

If the company does not own the IP, then additional agreements may need to be signed. It is vital that good records are kept as to who made what contribution and who owns each of those contributions.

It is advisable to have IP ownership agreements in place before work starts. Contractors, directors and consultants may well not be employees and, therefore, you cannot rely on the IP employment provisions. Appropriate agreements should be put in place with those people.

***“I’ve paid for a designer to design my logo and website. Surely I own the rights?”***

If there’s no other agreement in place, any rights (such as copyright and unregistered design right) in the logo and the website will be owned by the designer (or their employer, if the designer created the logo and website content during the course of their employment). You may have an implied licence to use the logo and website by virtue of the commissioning of the design of the logo and website, but you would not own the rights.

***“The company cleaner has developed a great looking cabinet in his spare time. We’re looking to make it”***

Assuming that the cabinet was not designed during the course of the cleaner’s employment, it is likely that the cleaner will own the rights in the cabinet. They could stop

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you making and selling the cabinet without their permission. Maybe you should come to some sort of agreement with them?

***“As a one-off, we jointly designed a new high-end kitchen unit with the assistance of a local kitchen business we were in touch with. We’re a small company, but one of our UK contacts is now interested in mass producing the units for export to Europe and wants to buy the relevant rights off us. We are keen to sell the design of the kitchen unit on to them as it’s not part of our core business. However, the local kitchen business has now been taken over by one of the big players and we’ve been unable to get them to engage with us on the matter. What should I do?”***

Unless there is an agreement to the contrary both your company and the local kitchen business (or possibly the business that bought them out) will jointly own the rights in the kitchen unit (unregistered design rights). You cannot sell the rights in the unit without permission from the co-owner of the relevant rights.

Your patent attorney or trade mark attorney will be able to advise you on how best to protect your IP outside the UK and what routes you might take to achieve that and on how to ensure that IP ownership issues are dealt with properly before they cause problems for your business.

If you would like further information on any of the points discussed, or have a query on any intellectual property matter, Simon would be happy to assist you. Email him at [simon.haslam@abelimray.com](mailto:simon.haslam@abelimray.com)

A patent attorney local to you can be found via CIPA’s website at

[www.cipa.org.uk/find-a-patent-attorney](http://www.cipa.org.uk/find-a-patent-attorney)

### Top tips for avoiding IP ownership problems

1. Keep good records of how new designs or other copyright-protectable works are created.
2. Ensure that any agreement on IP ownership is in writing and preferably signed before any IP is generated.
3. Ensure that you have agreements with employees, contractors, designers and directors, and anyone else generating IP.
4. Take advantage of the advice of your patent attorney or trade mark attorney.

## Getting IP ownership

# RIGHT



#### Why is it important?

It is becoming increasingly important for many home furnishing businesses to be able to enforce their IP rights to stop third parties from “ripping off” their ideas. These IP rights include copyright, unregistered and registered design rights, trade marks and patents.

Copyright protects drawings, paintings, company logos, website content and works of artistic craftsmanship (such as iconic furniture designs, like the Eames DSW chair).

Unregistered and registered design rights can protect the outward appearance of a product. Patents can protect technical inventions, and registered and unregistered trade marks protect your brands.

If your business does not own its IP then it cannot sell or license the IP, or stop others from unauthorised use of the IP. You should be mindful that your company may potentially infringe the rights of third parties who own the IP.

#### When do ownership issues arise?

Ownership issues of IP often rear their heads when least expected or wanted. When you are trying to sell a business, a due diligence exercise will typically take place which will find out who owns the IP. You will have to demonstrate who owns the IP when trying to assert IP against third parties. Unsurprisingly, IP ownership disputes often arise when IP becomes valuable, and they are then often difficult to resolve.

#### Here are some IP ownership scenarios, which highlight some possible pitfalls.

***“We developed a chair ages ago. Do we own the IP?”***

For any IP right, you first need to identify all of the people who made some intellectual input to the IP (the designer(s), creator(s) of the copyright work or the inventor(s)). Each of those people will be the first owner of the IP, unless the IP was generated during the course of their employment, in which case the first owner will automatically be that person’s employer. It is, therefore, vital that you identify who made what contribution to the IP.

Once the contributors have been identified,



**Make sure you avoid IP ownership issues by following the advice from CIPA**