



Warning: inventor holds copyright

Wednesday, September 7th, 2005

On the cutting edge - Brian T. D. Bowman

IMAGINE this scenario. You have spent years and thousands of dollars building your business from the ground up. You have had some success and are now hiring employees and consultants to help your business grow.

One consultant is hired to develop a new product that will help you to recoup your investments and gain competitive advantage in your industry.

The consultant does her job. The product is developed on time and as required. Now the fun begins, right?

You might think that you own the copyright to the newly developed product. But, in fact, the consultant does. And the consultant knows more about intellectual property than you do. Beware -- your business may be in jeopardy.

Costly, preventable

This regrettable scenario happens more often than you might think. And it is a costly and preventable scenario. Understanding the intangible world of intellectual property is critical. In today's economy -- where ideas are often the very essence of a business -- understanding and leveraging intellectual property rights can make or break a business.

The general legal rule is that a person who invents something owns it.

Does this mean that there is nothing a business can do to protect itself? Why hire employees at all if they are going to own the copyright to inventions that you are paying them to create?

Thankfully, businesses automatically own the copyright to inventions by employees when developments are created "in the course of employment" or where a contract grants the business ownership.

The rules, however, are different for consultants.

Consultants generally own the copyright to their inventions unless a written contract expressly states that the business owns such inventions. Unlike employees, a business can not simply presume that since a consultant was engaged to develop a new product that the

business owns the copyright to the invention. This is a common presumption and can be a very costly mistake.

So, what steps should businesses take to make sure that they own the copyright to inventions?

The most important thing that businesses should do is have all employees and consultants sign contracts stipulating who owns the intellectual property rights to inventions created on the job.

Next, businesses should have written policies and procedures for the protection of intellectual property rights. These policies should set out the obligations of employees and consultants to protect intellectual property owned by the business.

Finally, businesses should undergo intellectual property audits on a regular basis. Such audits help to identify and protect key intellectual assets.

'Moral rights'

So, let's say a business undergoes all of the foregoing steps to make sure that it owns the copyright to a particular invention. Can the business now rest assured that the copyrighted invention can be used and, more importantly, modified according to the businesses' whims? In fact, the answer is no.

Individuals who invent something retain "moral rights" in respect to their invention.

Among other things, moral rights grant the inventor the right to be associated with the invention as its creator and to stop certain modifications to the invention. These are important rights. As a result, businesses should have all employees and consultants agree in advance to waive their moral rights to inventions.

Businesses that fail to understand and address moral rights often find former employees or consultants putting the business between a rock and a hard place.

In today's economy, just about every business has intellectual property worth safeguarding. It's a good investment to take steps to protect it.

Brian T. D. Bowman is a privacy, information technology and intellectual property lawyer with PITBLADO LLP, Barristers & Solicitors. He can be reached at (204) 956-3520 or e-mail bowman@pitblado.com

© 2005 Winnipeg Free Press. All Rights Reserved.