

## SAMPLE JOINT IP OWNERSHIP CLAUSES

*The capitalized terms used, but not defined, below are purposeful so that you may use the definition section of your “favorite” relevant agreement.*

### Option 1: All Activities Are Truly Done Jointly

1. Company-A New Intellectual Property. All Intellectual Property made, developed, conceived, first reduced to practice, fixed in any tangible medium of expression, or created independently by Company-A, without any contribution from Company-B of any kind during the term of this Agreement (“**Company-A New Intellectual Property**”), will be the sole and exclusive property, including the entire right, title and interest of Company-A.
2. Company-B New Intellectual Property. All Intellectual Property made, developed, conceived, first reduced to practice, fixed in any tangible medium of expression, or created independently by Company-B without any contribution from Company-A of any kind during the term of this Agreement (“**Company-B New Intellectual Property**”), will be the sole and exclusive property, including the entire right, title and interest, of Company-B.
3. Joint Intellectual Property. All Intellectual Property jointly made, developed, conceived, first reduced to practice, fixed in any tangible medium of expression or created by Company-A and Company-B during the term of this Agreement (“**Joint Intellectual Property**”), will be the joint property of and the entire right, title and interest is hereby assigned jointly to Company-A and Company-B, and each party may enjoy all rights and privileges accorded ownership of such joint property without accounting to the other.
4. Assignment of Joint Intellectual Property. Each party hereby assigns and agrees to assign to the other party, or its designees, an undivided one-half its full right, title and interest in and to all Joint Intellectual Property. Each party agrees that, during the term of this Agreement and subsequent to the completion or termination of this Agreement, they will, at the other party’s request and expense, execute any and all applications for U.S and foreign patents, copyrights or other rights and otherwise provide assistance (including, but not limited to, the execution and delivery of instruments of further assurance or confirmation) to assign an undivided one-half interest in said Joint Intellectual Property to the other party and to permit the other party to enforce any patents, copyrights or other rights in and to said subject intellectual property. All copyrightable works that are created pursuant to performance under this Agreement shall be considered “works made for hire” as defined by U.S. Copyright Law.
5. Filings. The parties agree not to file any patent, trademark, or copyright applications relating to Joint Intellectual Property, without first notifying the other party.

6. Disclosure. Each of the parties shall promptly and fully disclose to the other party all Joint Intellectual Property and shall identify and maintain records of Joint Intellectual Property, and a copy of all such records shall be promptly provided to the other party. Such records shall be considered Confidential Information and subject to Section [x] of this Agreement.

7. Transfer, Assignment and Waiver. Each of the parties represents, warrants and covenants that any Joint Intellectual Property will be created solely by their respective Personnel acting within the scope of their employment, or under a written independent contractor agreement assigning Intellectual Property rights.

8. Moral Rights. With respect to Joint Intellectual Property that qualifies as original works of authorship under the copyright laws (either U.S. or foreign), if any moral rights (either U.S. or foreign) are created, each party hereby waives and shall cause its Personnel to waive such rights in the Joint Intellectual Property.

9. Joint Prosecution. Each party agrees to perform all acts that the other party may reasonably request to assist in obtaining the full benefits, enjoyment, rights, title, and interest in the United States and throughout the world, in the Joint Intellectual Property. Such acts shall include, without limitation, execution of documents, assistance in the prosecution of patents, copyrights, trademarks, and trade secrets. The parties shall each bear their own expenses under this Section 9.

10. Attorneys-in-Fact. In the event that a party is unable to secure the signature of the other party, any of its Personnel, or its other legal representative, to any lawful document required to apply for or enforce any of Joint Intellectual Property, for whatever reason, each party hereby irrevocably appoints the other party and its duly authorized officers and agents as the other party's agents and attorneys-in-fact to apply for or enforce Joint Intellectual Property with the same legal force and effect as if executed by the other party, its Personnel, or its other legal representative.

11. Joint Enforcement. Upon learning of any infringement of Joint Intellectual Property, from any source, the parties shall first determine if they desire to jointly take action to suppress or eliminate such infringement. If the parties decide to take such action jointly, the parties agree that they will share equally in the expenses related to such actions, and share equally in any recovery as a result of such action. *[Company-A shall have the sole right to direct such joint action.]* In the event that either party decides not to participate in such action, the other party shall have sole discretion to take whatever action it determines is necessary or appropriate under the circumstances, including without limitation legal action to suppress or eliminate any such infringement, at the acting party's expense. The non-acting party agrees to cooperate with the acting party in such action and the acting party agrees that it will reimburse the non-acting party's reasonable and actual expenses incurred in such action. The acting party retains all recovery from such action.

12. Arbitration. The parties agree to arbitrate any dispute or controversy regarding whether intellectual property should be considered Joint Intellectual Property, Company-A New Intellectual Property or Company-B New Intellectual Property under the Arbitration Rules of the American Arbitration

Association, and any resulting award or judgment shall be binding and non-appealable and shall be entered in any court of competent jurisdiction to enforce it.

## **Option 2: One Party Has the Option to Take the Lead**

1. Except as specifically provided herein, each Party owns and retains all right, title and interest, worldwide, in any and all of its Intellectual Property preexisting before the effective date of this Agreement ("**Background IP**").
2. Company-A shall own and retain ownership of any data, information, derivative works, work product or other Intellectual Property it creates, without any contribution from Company-B of any kind, hereunder ("**Company-A IP**").
3. Company-B, subject to the licenses described herein, shall own and retain ownership of any data, information, derivative works, work product or other Intellectual Property it creates, without any contribution from Company-A of any kind, hereunder (the "**Company-B IP**").
4. All Intellectual Property jointly made, developed, conceived, first reduced to practice, fixed in any tangible medium of expression or created by Company-B and Company-A under this Agreement ("**Joint IP**"), shall be the joint property of the Parties.
5. Each of the Parties represents, warrants and covenants that any Joint IP will be created solely by their respective Personnel acting within the scope of their employment, or under a written independent Company-B agreement assigning Intellectual Property rights.
6. With respect to Joint IP that qualifies as original works of authorship under the copyright laws (either U.S. or foreign), if any moral rights (either U.S. or foreign) are created, each Party hereby waives and shall cause its Personnel to waive such rights in the Joint IP.
7. Company-A shall have the right to adopt and use its own trademarks, trade dress and identifying information to be used in association with any Joint IP or Company-A IP. Except as expressly provided for in this Agreement, neither Party grants to the other any rights to use its trade names, trademarks, service marks, logos or designations (each a "**Mark**" and collectively the "**Marks**") in connection with exploiting Joint IP. Any license to Marks shall only be granted pursuant to a separate trademark license mutually agreed by the Parties.
8. Each Party agrees to and hereby assigns to the other Party, or its designees, an undivided one-half of its full right, title and interest in and to all Joint IP. Each Party agrees that, during the term of this Agreement and subsequent to the completion or termination of this Agreement, they will, at the other Party's request and expense, execute any and all applications for U.S and foreign patents, copyrights or other rights and otherwise provide assistance (including, but not limited to, the execution and delivery of instruments of further assurance or confirmation) to assign an undivided one-half interest in said Joint IP to the other Party and to permit the other Party to enforce any patents, copyrights or other rights in and to said subject Intellectual Property.

9. Each of the Parties shall promptly and fully disclose to the other Party all Joint IP and shall identify and maintain records of Joint IP, and a copy of all such records shall be promptly provided to the other Party. Such records shall be considered Confidential Information hereunder.
  
10. For each Joint IP identified hereunder:
  - a. The Parties agree not to file any patent, trademark or copyright applications relating to such Joint IP, without first notifying the other Party.
  - b. Company-A shall have the first right, but not be obligated to, file, prosecute and control any and all patent applications for such Joint IP and control any action or proceeding to restrain infringement of any resulting patents at its sole expense (the “**Company-A Joint IP Option**”). Company-A agrees to pay a reasonable exclusive license royalty to Company-B to be negotiated in good faith for such sole use and control of such Joint IP. Any exclusive license to such Joint IP granted to Company-A pursuant to this paragraph, shall include at least the following terms: (i) a reasonable and customary running royalty on net sales from licensed products and services based upon at least Company-B’s contribution to the Joint IP and not to exceed [x]%; and (ii) the right to grant sublicenses.
  - c. Should Company-A not exercise the Company-A Joint IP Option: (i) the Parties shall share equally in the expenses to file and prosecute any and all patent applications for such Joint IP; and (ii) either Party will be free to treat, exploit or dispose of any such Joint IP as it sees fit, including, but not limited to, the right to make, have made, use, offer for sale, sell or otherwise distribute, perform and display, reproduce, modify, make derivative works of, combine with such Party’s other products, electronically transfer, import and export, such Joint IP without a duty to account or pay any royalties to the other Party.
  - d. In the event that Company-A does not exercise the Company-A Joint IP Option and either Party declines to share the cost of patenting, the other Party may continue to pursue patent prosecution at its sole expense, subject to the following: (i) if the non-paying Party, later assigns, licenses or otherwise transfers any of its rights in such Joint IP to a third party, such non-paying Party shall pay the other Party a royalty of [y]% of the gross compensation received for such transfer of rights; and (ii) for a period of [z] months from the date such Joint IP is identified, neither Party will assign, license or otherwise transfer any of its rights in such Joint IP to a third party and either Party will have a no-cost option to elect to negotiate, subject to a reasonably-negotiated royalty and terms, the purchase or exclusive license of the other Party’s ownership rights in such Joint IP, to the extent permitted by law. For clarity, Company-A’s standard commercialization or licensing to customers of Company-A products or services incorporating Joint IP shall not be considered a third-party assignment, license or transfer of the rights of Company-A in the Joint IP.

11. In the event that a Party is unable to secure the signature of the other Party, any of its Personnel, or its other legal representative, to any lawful document required to apply for or enforce any of Joint IP, for whatever reason, each Party hereby irrevocably appoints the other Party and its duly authorized officers and agents as the other Party's agents and attorneys-in-fact to apply for or enforce Joint IP with the same legal force and effect as if executed by the other Party, its Personnel, or its other legal representative.
  
12. If Company-A does not exercise the Company-A Joint IP Option, then: (i) upon learning of any infringement of Joint IP, from any source, the Parties shall first determine if they desire to jointly take action to suppress or eliminate such infringement; (ii) if the Parties decide to take such action jointly, the Parties agree that they will share equally in the expenses related to such actions, and share equally in any recovery as a result of such action; (iii) Company-A shall have the sole right to direct such joint action; (iv) in the event that either Party decides not to participate in such action, the other Party shall have sole discretion to take whatever action it determines is necessary or appropriate under the circumstances, including without limitation legal action to suppress or eliminate any such infringement, at the acting Party's expense; (v) the non-acting Party agrees to cooperate with the acting Party in such action and the acting Party agrees that it will reimburse the non-acting Party's reasonable and actual expenses incurred in such action; and (vi) the acting Party shall retain any recovery from such action.
  
13. The Parties agree to arbitrate any dispute or controversy regarding whether Intellectual Property should be considered Joint IP, Company-A IP or Company-B IP under the Arbitration Rules of the International Arbitration Association, and any resulting award or judgment shall be binding and non-appealable and shall be entered in any court of competent jurisdiction to enforce it.