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IP Rights, Collaborative Projects, and the COVID-19 Pandemic: A Socially Responsible Approach Should Not Impair Sound Business Judgment

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The COVID-19 pandemic has not only been a catalyst for innovation, it has also changed the way innovation occurs. Reference can be made to the multiple collective efforts to research and produce vaccines, develop diagnostics devices, protective materials, etc. Often the organizations and businesses involved in these efforts have offered their products and services, or shared their innovations, research data or other proprietary elements, at cost or even for free.

In the rush to collaborate sometimes the appropriate protection of innovation can be overlooked. However, this general “open access” trend is not incompatible with decent protection for intellectual property and know-how. As will be explained in more detail below, solid protection for proprietary

rights need not stand in the way of social responsibility and generosity.

BE UNSELFISH, BUT KEEP CONTROL

Collaborative projects in times like these are often set up hastily to expedite research and development and produce results fast. But this is exactly when and where mistakes are made. In some unfortunate cases peer pressure or public relations strategy, sometimes in combination with teleworking and other COVID-19 related measures, have caused innovators to set aside their “classic” know-how protection protocols. The fact that intellectual property protection offers exclusive rights and therefore implies some sort of monopoly is under public scrutiny, in particular when at the core of the project is a humanitarian goal. This has sent more than one innovator unprepared down the less travelled road of an “open source” approach.

But what if an opportunistic third party, or even a less noble project partner, tried to benefit from this lack of protection either to your detriment, or to the detriment of the humanitarian project? What if the open innovation were used for profit-driven rather than humanitarian purposes? Or worse, what if such a party were to acquire intellectual

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property rights based on your innovation? Granted, the chances of your humanitarian project being blocked in that event are slim. But the chances are real that you could be prevented from freely using your own innovation outside of the scope of the humanitarian project.

So, while it is good to keep your innovator heart warm and generous, you should also keep your legal head cool. Participating in a humanitarian project and showing unselfishness while at the same time maintaining control over your proprietary rights is perfectly possible. And it is often less difficult than you might think. It is all a question of establishing clarity about ownership of the innovation (through registration and/or contractual provisions) and consequently managing access and use.

Licenses offer a wide array of options to achieve this dual objective. For instance, you could agree to grant research and/or non-commercial use licenses (against a reciprocal right granted by your project partners) while keeping the commercial exploitation of your proprietary rights and/or the right to register the foreground IP for yourself. A more restrictive option might be to keep the ownership of all rights and to grant a license whose scope and duration are strictly limited to the implementation of the humanitarian project.

UPFRONT PREPARATION MINIMIZES COSTS AND UNCERTAINTY DOWN THE ROAD

As a result of the pandemic nature of the COVID-19 crisis, and the resources made available to fight it, innovation in certain areas seems to occur overnight. Adequately protecting such high speed innovation may seem difficult, but it does not have to be. Just setting up an appropriate contractual framework, internally but also with regard to external contractors, can prevent a lot of issues arising, in particular at a later stage.

Within your company, clear contractual provisions should be included in all employment contracts and contracts with self-employed service providers. These provisions should cover not only ownership of intellectual property, but also, for instance, confidentiality obligations.

Preventing unlawful disclosure of secret know-how is just as important as protecting ownership, as disclosure of such information could prevent registration of IP rights or even your access to

trade secret protection. General IP and employment laws in many countries do provide default rules applicable in these situations, but it never hurts to have your own contractual rules apply as well. Within the limits allowed by the applicable law, you will then be able to deviate from the default legal rules to your own benefit and enjoy even better protection.

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Similarly, clear provisions allocating IP rights and imposing confidentiality obligations should be part of contractual arrangements with external contractors. The importance of such provisions in the context of collaborative projects, especially with a humanitarian aspect, cannot be sufficiently emphasized.

Ensuring clarity at the outset as to which party contributes which existing IP rights to the project (the background IP), as well as addressing the allocation of IP rights generated through the project (the foreground IP), is guaranteed to avoid difficult discussions at a later stage. Each party will know what to expect and this should avoid unpleasant surprises when project partners part ways. Although touching on these issues may be sensitive because innovators may not wish to have the reasons for their actions questioned, it is the pragmatic and sensible path.

Setting up a solid and clear contractual framework, though essential in itself, is often not enough to guarantee sufficient protection for your innovation. Appropriately documenting your creations and innovations and registering (where relevant) your rights is required. Contrary to popular belief, this process does not always have to be cumbersome and costly. Provided that the right steps are taken at the right time, certain exclusive rights can be obtained in a fairly straightforward manner.

- For instance, a *domain name* can be registered with a few clicks and at a moderate cost (especially when compared to the cost of having to acquire the domain name from a third party or litigating over it).

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- *Trademarks* take around four to eight months to register, depending on the jurisdiction where registration is filed and on whether third parties launch opposition proceedings. You will, however, already enjoy protection as of the date of filing. More importantly, others should no longer be able to successfully file for the same trademark and consequently make it impossible, or at least expensive, for you to use that trademark.
 - *Designs* can usually be registered within a shorter time frame than trademarks, and at generally lower registration and renewal fees. In certain territories, such as the EU, even unregistered design enjoys legal protection.
 - In general, *copyright* may also be obtained if a fixed creation date can be established, which in essence requires accurate documentation of the internal timeline and ownership of creations which may be subject to copyright. Such a fixed date is also crucial should you want to rely upon the above-mentioned unregistered design protection.
 - As an obvious exception to the above rights, *patents* do require substantial financial and time investment in order for an invention to be covered by one or multiple patents. However, there are other ways to protect your inventions at the development stage or pending

a patent application. Prior to applying for a patent, the already mentioned non-disclosure agreements and confidentiality clauses in employment and other contracts are effective tools to avoid harmful disclosure of secret know-how.

The investment of means and time required to organize the internal and external protection discussed above is therefore relatively modest, in particular when compared to the investment required to rescue proprietary rights that were not appropriately protected in the first place.

CONCLUSION

To conclude, however admirable humanitarian and socially responsible collaborative innovation projects may be, the actors involved should not pursue them at the expense of long-term sound business judgment. This is particularly relevant when it comes to protecting intellectual property and confidential know-how. Mistakes made when all parties seem equally benevolent may only reveal the often irreversible effects later down the line, when parties go back to “business as usual.”

Thoughtfully preparing protection and registration of know-how and IP, both internally and externally, is not incompatible with generous innovation: it merely enables organizations and businesses to share the fruit of their innovation with those who really need it.

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