

Intellectual Property ('IP') and Employment

It is important to ensure that the issue of ownership of IP rights is considered and **expressly** dealt with before any work on a project is commenced.

Employees

An employer is entitled to the rights in any intellectual property ("IP") developed by employee "in the course of employment" or within the scope of what the employee is employed to do.

What does "in the course of employment" mean?

- There is **no statutory definition or test** but the position will be depend on an understanding of the employee's "ordinary duties"
- Some relevant factors when assessing "ordinary duties" include:
 - The scope of the employment contract i.e. did the contract contain an express clause relating to IP ownership?
 - Whether the employee was employed to invent. And if so, what the employee was employed to invent.
 - If the product was developed during the course of the working day or in the employee's 'own time'.
 - If the employee made use of the employer's funding or resources.

Independent Contractors

As a general rule if IP is created by an independent contractor, it belongs to the contractor. This is true even if the idea, invention or development is made within the scope of the contractor's engagement or on the employer's work site.

This general rule may be modified by agreement. For example a written agreement with the contractor may require assignment of all IP (and future IP) developed in the course of completing the contract. The contractor may also be required to give warranties that it owns and is entitled to use or assign relevant IP.

There are a number of important statutory provisions dealing with these issues. For example, under the Copyright Act a person who has commissioned and paid (or agreed to pay) another person to (a) take a photograph (b) make a computer program (c) paint, draw or create a diagram (d) map, chart or plan out (e) engrave, sculpture (f) create a model (g) film or (h) create a sound recording will be the owner of any

copyright in the commissioned work, unless there is a written agreement to the contrary. This does not cover all copyright works, and notably excludes 'literary works'.

It is probably obvious from the above that ownership of IP in multimedia works (for example producing your own short film) can be particularly complicated and generally requires specific analysis and advice.

**Intellectual property and employment law is complex.
Expert advice is recommended!**