



## **Do you own your Intellectual Property? The Answer Might Surprise You.**

It is a common presumption that if you hire someone to create a logo or design, content, or even software that you will own all of the intellectual property associated with that project. But that is not necessarily correct. Most people don't think twice about ownership of intellectual property created by third parties, but it can have serious consequences down the road. This issue is becoming more important as businesses turn to third party contractors for work previously handled by employees.

At a high level, a good general rule is that an employer will usually own all intellectual property developed by its employees by virtue of the employer/employee relationship. But even this general rule is nuanced and can change if, for example, the employee develops or invents something outside the scope of his or her employment. It is not uncommon for employment agreements to contain provisions that outline when an employer owns any intellectual property created by an employee out of an abundance of caution.

If a non-employee such as an independent contractor creates the intellectual property at issue, the rules change. Generally, if a third party contractor creates any intellectual property—even if he or she has been paid—that third party owns all intellectual property that he or she created. In this situation, the third party contractor should execute a written Assignment of Rights to ensure that the intellectual property is assigned to the person or company for whom the services were provided.

It is better to address ownership issues up front rather than learning the hard way that you do not own intellectual property that is crucial to your business. The best course of action is to ensure that ownership of a company's important assets are covered by either the provisions of an employer/employee agreement or via an assignment of rights or other similar contract.