

## **Resolution**

### **Question Q194**

#### **The Impact of Co-Ownership of Intellectual Property Rights on their Exploitation**

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##### **AIPPI**

##### **Reminding that**

The AIPPI previous resolution on Question Q183 of the Geneva Congress on employer's rights to IP creations underlined that the principle of freedom of contracts should govern the ownership of IP rights in relation to creations made by employees.

##### **Observing that:**

- a) There are no internationally accepted provisions regarding co-ownership of IP rights and rules can rather be found dispersed in the particular national or regional IP laws.  

This can result in uncertainty about the status of co-owned IP rights and the position of co-owners, for example in the context of international co-operation between companies (including publicly funded research institutes), international joint ventures, mergers and acquisitions and financing arrangements.
- b) Co-ownership of IP rights may result from inheritance, joint venture, labor relations, co-realization of intellectual creations or from agreements to create joint proprietorship.
- c) Material or tangible goods on the one hand and immaterial goods on the other differentiate from each other substantially, since there is no material barrier preventing that two or more persons use the latter independently.
- d) The theory of co-ownership was first developed in connection with material or tangible goods under civil law or common law.
- e) One of the major issues with respect to co-ownership of IP rights is whether the co-owners can exercise IP rights individually and under what conditions. In particular, whether consent from the remaining co-owners is required for exercising the IP rights. Specific questions concern:
  - the capacity of each co-owner of an IP right to exploit or to license individually the right to a third person; and
  - the capacity of co-owners to freely take actions to enforce the IP rights or to maintain them in force.
- f) Other important issues with respect to the co-ownership of IP rights are:
  - the use of a co-ownership-share as collateral for security interest or by transferring the rights in virtue of assignment or otherwise;
  - the determination of the applicable law and jurisdiction in case of disputes of international aspect among co-owners of IP rights.

**Adopts the following Resolution:**

- 1) It is recommended that all countries adopt rules in their IP laws concerning the co-ownership of IP rights and that those rules be harmonized.
- 2) Co-owners should be free to organize their co-ownership arrangements. In the absence of such arrangements national law regulating co-ownership of IP rights should apply.
- 3) Legal rules applicable to co-ownership of material goods should only be regarded as a secondary legal authority when applicable to the co-ownership of IP rights.
- 4) Recognizing the differences among IP rights, and subject to subsequent paragraphs, it is recommended that IP laws provide:
  - a) in the case of a patent, that in the absence of agreement to the contrary, each co-owner is entitled to exploit individually the patented invention without the need to obtain consent from other co-owners in respect of that patent.

Each co-owner having a right to exploit the patented invention individually should not be obliged to compensate other co-owners unless agreed otherwise or under exceptional circumstances, in particular if one of the co-owners is prevented from exploiting the same patent;
  - b) in the case of trademarks, that each co-owner is not entitled to use individually the mark unless agreed otherwise;
  - c) in the case of copyrights, that each co-owner is not entitled to exploit individually a copyrighted work, unless agreed otherwise. As an exception, co-owners of rights should be allowed to exploit individually their contribution to a composite work, if it can be separated from the overall work.
- 5) Recognizing the differences among IP rights, it is recommended that:
  - a) No co-owner should be entitled to license patent rights to third parties without the consent of the other co-owners, such consent not to be unreasonably refused. In case of unreasonable refusal, the national law should provide means for the resolution;
  - b) Co-owners wishing to license individually rights on a registered or protected trademark, or a copyrighted work to third parties should require consent from the other co-owners.
- 6) Each of the co-owners of IP rights should be free to enforce individually the IP right, without the need of consent from the fellow co-owners. However, national legislations should provide for an obligation by the enforcing co-owner to inform the other co-owners.
- 7) Each co-owner should have the right to renew or otherwise maintain the co-owned IP right, without the need of consent from the other co-owners. National law should provide rules on the allocation of costs of renewal and/or maintenance advanced by one or more of the co-owners.
- 8) Co-owners of an IP right should be allowed to decide on the choice of law and jurisdiction in connection with resolution of disputes among co-owners.
- 9) It is recommended that AIPPI continue the study of the impact of the co-ownership of IP rights on their exploitation and on the criterion for determining the applicable law and jurisdiction in the absence of an agreement between the co-owners.