ADReport

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Message from the Vice Chair

By Ceecee Paizs

Our stalwart leader, Bob Mueller, is currently recovering from surgery. I have therefore taken a step forward as the first runner up, (oh, sorry, that is the Miss America Pageant!) I mean, I have taken a step forward as the Vice Chair of the ADR Section Council to "chat" with our members about life on the Council and participation in section sponsored programs. Not only do both offer educational experiences, but participation builds camaraderie amongst mediators from different areas.

I have learned a great deal by being a member of the ADR Section Council to include that there are as many styles of mediation as there are mediators. Each of us is unique in how we practice mediation, regardless of the model we follow. We bring who we are to the table with us, both the good and the bad! Interacting with other mediators, and attending the various webinars and programs offered by the section allows us to see how other mediators mediate. I have yet to observe a mediation, a mediation simulation in conjunction with a training program or lecture without coming away with a renewed sense of how I mediate, and how I can do it better. I usually walk away with at least one nugget of gold that will assist me in my own practice going forward.

And the Section Council and section programs allow us to participate in many mediation related conversations that we might not have otherwise. For example, Council members and section members participated in commenting on the drafting and passage of the Maryland Mediator Confidentiality Act. We are working towards being able to comment about the development of any new court rules related to mediators. The ADR Section recently participated in a conversation between the Conflict Resolution Center of Montgomery County (CRCMC) that will facilitate a positive working relationship between CRCMC and the private practitioners in Montgomery County.

I have also come to appreciate styles of mediation that I may not have been trained in, and do not necessarily practice. I believe myself to be a problem solving/facilitative mediator. Yet, I have observed transformative and inclusive mediations that have demonstrated new ways of listening in a mediation. I have observed negotiators in other areas who could have benefited from these listening skills. I have attended meetings with mediators who come from different approaches, and yet we were able to work together to resolve issues raised in the mediation community. (See CRCMC above!)

Participating in the ADR Section activities and programs is a wonderful way to network, keep your finger in the pot and much more. I hope to see all of you at the Pizza and Professionalism program on February 3, 2014. If you don't know about that event, check out our website! And look me up in June at the annual meeting in Ocean City.

Ceecee Paizs

Avoiding Intellectual Property Disputes in Joint Development Agreements

By Sharon Tasman Prysant, Esq.

Parties entering into joint development and other collaborative agreements often are most concerned about what services each of them will perform as part of the collaborative effort. As a result, they often neglect to address the one issue that is the most likely to lead to a dispute: who owns the intellectual property rights created as a result of the collaboration. The parties' attorneys can help them to avoid disputes related to this issue by making sure that the collaboration agreement competently allocates intellectual property ownership and responsibility for its protection and defense.

I. Apportioning Ownership

To avoid potential disputes among the parties, collaborative agreements should outline three major areas of intellectual property: (1) that which each party brings to the transaction (i.e., that which each party has developed prior to and/or outside the scope of the collaborative agreement, the "Contributed IP"); (2) that which the parties create as a result of the collaborative effort ("Joint IP"); and (3) that which consists of modifications to or derivatives of a party's Contributed IP ("Derivative IP").

A. Contributed IP

Of the three categories of intellectual property, the easiest to define clearly is each party's Contributed IP. The parties to the agreement can identify their respective Contributed IP, either in the body of the agreement or in schedules. The list would include not only patents, trademarks and copyrighted materials, but any trade secrets or other intellectual property that will be disclosed and/or used as part of the collaborative effort.

B. Joint IP

With regard to the Joint IP, the parties first should define clearly what they expect to come of the collaborative effort: research reports, patentable technology, or an actual product. Once the parties have defined the expected Joint IP, they can decide how to apportion ownership. When doing so, it is important to carefully consider the purposes of the collaborative relationship, as well as each party's respective needs.

There are many means by which Joint IP can be apportioned so as to ensure that both parties' goals are accomplished. The most straight-forward method is for the parties to agree that any Joint IP created as a result of the collaboration shall be truly jointly owned by the parties. This would be an appropriate structure if all parties to the agreement are willing to allow the unrestricted use of the Joint IP by each other. In the case of a two-party agreement, each party would have an undivided one-half interest in the whole of the Joint IP and the agreement should specify whether the parties are obligated to account to each other for profits resulting from the use of the Joint IP.

If, however, due to the parties' business or technical concerns, there need to be restrictions on one or both parties' use of the Joint IP, this can be accomplished in a number of ways. One option would be for all of the intellectual property rights to be assigned to one of the parties, which then would grant a license, limited as dictated by the business concerns, to the other party.

Alternatively, both parties can be considered joint owners of all of the Joint IP, but with each party agreeing to certain restrictive conditions on their use or disclosure of it. This situation often arises when a party wants to prohibit the disclosure of the Joint IP to one or more competitors.

An additional concern arises when one of the parties receives government funding. In such a case, the government may have rights to use intellectual property (and possibly any underlying Contributed IP) created as a result of the government funding. This situation often occurs with academic medical centers or prominent life sciences research universities, which typically have either in-licensed or co-developed technology under a Cooperative Research and Development Agreement ("CRADA") with the National Institutes of Health. In such situations, the parties must ensure that intellectual property created with government funding will be usable without overly burdensome restrictions, or will not "infect" the Joint IP that is created under the new collaboration agreement.

Because the Joint IP often will contain some of the parties' Contributed IP, each party needs to be cognizant of the potential downstream exposure of its Contributed IP—regardless of how the rights to the Joint IP are apportioned. For example, even if the agreement provides for true joint ownership of the Joint IP, it may be appropriate to include: (1) a limitation in the agreement providing that neither party may sever the other party's underlying Contributed IP in a manner that permits use of that property independently of the Joint IP; and (2) a corresponding requirement that any

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Civil Communities...

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attentions on two of them, which certainly involve many related topics and themes: animal and disability issues.

This author has been fortunate to lead bringing conflict approaches to the animal law field in Maryland, holding an initial discussion on the matter, as would all leaders in the past, at his abode. Notably, a lively and enjoyable social call and meeting occurred at the dining room set of the Slovak Great Grandmother situated at the Norman House, designing that year's annual program jointly held by the Animal Law and the Alternative Dispute Resolution Sections. As a person with professional and personal expertise with disability, this author has regularly sought to address, as a recent incident by a guide dog handler and a flight attendant on an airline showed, the continued need for dialogue among individuals with and without disabilities.

In 2013, the Lyceum hosted, in partnership with a range of numerous persons and entities, the following three forums, which, of course, involved food.

- In keeping with the practice of the founding fathers to meet at a tavern, the Lyceum co-hosted in spring a dinner reception at Gordon Biersch Restaurant on partnering veterans with assistance dogs.
- Turning to the colder weather of fall and the opportunity to visit in-door activities like museums, the Lyceum partnered with the Washington College of Law to host a facilitated dinner reception on its sixth floor on access of people with disabilities, including, their furry partners, to cultural institutions. Nationally renowned experts in arts access, including Directors of Accessibility at the Kennedy Center and at the Smithsonian, provided helpful and thoughtful remarks.
- This author partnered with the Center on Medicine and Law, University of Baltimore School of Law, at the end of October to have a panel discussion on the connections among animals; humans; and sundry health and safety concerns. That panel is part of a longer series to be on-going, which is entitled Grand Rounds, 2013-14

When creative leaders engage in an activity, whether it be writing a book or convening a facilitated dialogue, that leader learns as much about him or her as about others. As this author builds the capacity of the Lyceum and positions himself for roles of leadership, he realizes the many blessings with which he has been bestowed, including, the ability to connect with others and convince them to engage in facilitated dialogue. But Caesar being but a man, this author consequently charges that our entire Section as a collective of professionals, as opposed to mere individuals, will persuade our colleagues in the broader legal and public policy community as to the benefits of facilitated approaches.

This author will conclude with the sentiments of Shakespeare, found in Act I, Scene I of the Merchant of Venice, "I wish you well and so I take my leave, I pray you know me when we meet again." Perhaps we will meet at a future forum of the Lyceum or over coffee?

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downstream agreements obligate any potential sublicensees or other third parties that may come in contact with the Joint IP to abide by such limitations.

C. Derivative IP

The third and final category of intellectual property rights created in joint development agreements is Derivative IP, which often can be the most difficult to address. First, there is often a fine line between a modification or derivative of a party's previously existing intellectual property and the joint development effort that is the fundamental purpose of the collaborative relationship. This distinction can be made clearer by including in the agreement a careful and specific description of the Joint IP expected to be created as a result of the effort. This consideration is important because each party to a collaborative effort typically wants to retain the unfettered right to continue to use its individual Contributed IP, including any modifications or derivatives, without restriction.

This situation often arises in the computer software arena. While a party that has developed a complex computer program may be willing to allow a "plug-in" module to be jointly owned, the party is likely to want to own any modifications to the original program that may be made to accommodate the plug-in module. If the parties agree that modifications to each party's Contributed IP are not intended to fall within the definition of the Joint IP but shall be owned by the "contributing" party, it will be important to include express assignments from each party to the other of any modifications to or derivative versions of a party's Contributed IP. To ensure that such express assignments are effective, it is important that only employees and consultants of each party who have signed appropriate assignment of invention and assignment of copyright agreements perform work under the collaborative agreement.

II. Protecting Joint IP and Infringement Claims

Related to the determination of ownership of intellectual property rights is the manner in which any patent protection

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and third party infringement claims will be handled with respect to the Joint IP. It is helpful to address in the collaborative agreement which party or parties will: (1) decide whether to protect Joint IP through patent, trademark or copyright (as applicable) or to maintain it through trade secret, and in which countries to secure patent, trademark or copyright protection if applicable; (2) be responsible for filing and prosecuting patent, trademark or copyright applications, maintaining the resulting patents, trademarks or copyrights; and (3) pay for the costs of such patent, trademark or copyright applications and maintenance.

This type of provision should clearly provide that, if the party charged with filing the patent, trademark or copyright application and prosecuting and maintaining the patent, trademark or copyright either expressly elects not to make the filing or is not handling its responsibilities in a timely manner, the other party is entitled to file the application or take whatever steps are necessary to protect the patent, trademark or copyright rights. It is particularly helpful to include an express power-of-attorney provision to enable the other party to take the necessary actions more easily when deadlines are looming. In addition, it is worthwhile considering whether the party who takes over the application prosecution should be entitled to become the sole owner of the application and the underlying intellectual property rights regardless of how the parties had previously agreed to apportion the Joint IP.

Further, the collaborative agreement should specify which party has responsibility for defending, and paying any expenses and damages in connection with, claims that the Joint IP infringes a third party's intellectual property rights. It is common to include language stating that if the real cause of the infringement claim is one party's underlying Contributed IP, the party who contributed such infringing intellectual property will bear the burden of the infringement claim.

Finally, the agreement should also address the converse situation: a third party's infringement of the Joint IP. Once again, the collaborative agreement should specify which party or parties have the responsibility for prosecuting the third party infringer. It also should require the parties' cooperation in any prosecution, and establish how any settlements or awards would be split.

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A joint development or other collaborative agreement that includes the foregoing provisions regarding the apportionment and protection of intellectual property rights should avoid many disputes that might otherwise arise between the parties. Neither party should be reluctant to raise these issues during negotiations. A clearly written agreement that is commercially reasonable and fairly takes into account the parties' respective contributions will benefit both parties, and will likely lead to a more positive relationship.

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