



# Safeguarding Intellectual Property in the Tech Industry: The Importance of Copyright Protection





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In today's fast-paced digital landscape, tech companies are at the forefront of innovation, constantly pushing the boundaries of what is possible. However, amidst the excitement and fervor of bringing the innovative ideas to life, one critical aspect often gets overlooked: the protection of intellectual property (IP).

The type of IP protection needed depends on the nature of the product and the specific aspects that require safeguarding. In many cases, a combination of different IP rights may be used to fully protect a product and its various components. In this article, we will focus on copyright, the importance of its protection and maintenance for tech products.

### What is copyright?

Copyright in tech is referred to the legal protection granted to original works. It encompasses the rights given to creators and owners of tech-related works, such as software, websites, digital content. Copyright in tech ensures that the creators have exclusive rights to reproduce, distribute, display, perform, and modify their works, as well as control the commercial exploitation of their creations





## How copyright is protected in RA?

In Armenia, copyright protection is granted automatically upon the creation of a work, without the need for any additional formalities unlike, for instance, US where it is necessary to register copyright to enforce certain rights and claim statutory damages. This sets copyright apart from other forms of intellectual property rights like patents and trademarks, which require registration for rights to be established. To qualify for copyright protection, the software must not be a mere duplication of existing works but must exhibit originality and individuality.

## Who owns the copyright for the tech product?

The ownership of copyright for a tech product typically depends on the specific circumstances and the legal framework of the jurisdiction in which it is created. When multiple individuals collaborate on the creation of a tech product, the ownership of copyright may be shared among the contributors, depending on the nature of their collaboration.

If a tech product is created by an individual, such as a software developer or engineer, the copyright is initially owned by that person. The creator holds the exclusive rights to reproduce, distribute, and publicly display or perform the product. If an individual creates a tech product as part of their employment duties, the copyright may be owned by their employer. This situation often arises when the creation of the product is within the scope of the individual's job responsibilities and if there is a specific agreement or employment contract stating that the employer retains ownership of the intellectual property created by employees. To understand the above described more clearly, if the UI/UX developer for the software is not an employee and there is no IP transfer agreement signed with him, this means that all the IP generated throughout the service provision shall remain with him giving this person rights to ban the company's use of IP objects, usage of IP in relations with competitors.



## Recommendations to overcome the possible copyright issues tech companies may face.

It is a common scenario for a new start-up or an existing tech company to face issues with the ownership of the generated software or its parts especially when finding a potential investor and going through the due diligence process. Investors are reluctant to finance companies when risks of potential IP disputes are identified. To avoid any unpleasant discoveries in the investment rounds regarding IP protection issues, we provide the following recommendations:

1. Regulate the relations with third party developers, don't forget about IP transfer provisions. IP transfer agreements explicitly state that any IP created during the service provision will be transferred to the company, ensuring that the company retains exclusive ownership and control over the resulting assets.
2. Make sure your employment contracts clearly define the employee's scope of activities, have NDAs in place which will ban the disclosure of internal confidential information of the company, including the IP and potential IP to third parties.
3. In case you decide to give access to third parties to the software and provide it for use, don't forget about a license agreement, which will clearly state the conditions of the license and identify that IP shall remain with the developer tech company.
4. In case the software is a result of joint ventures, have a copyright agreement in force defining the ownership of each company of the software parts and codes.



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# Thank you



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