

# PUBLICATION

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## Contracting Issue: Ownership of IP Created During Performance of Services

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**Contracts for proprietary seismic data acquisition for oil and gas exploration frequently include a clause providing that all intellectual property developed during the seismic contractor's performance of acquisition services belongs to the contracting E&P party or that the seismic contractor will provide an irrevocable, royalty-free license to such intellectual property to the E&P party. Such an allocation of rights from the discovery or creation of intellectual property may not always be aligned with incentives to improve, create and test data acquisition technology.**

Routine and non-routine discoveries and observations are often made during the performance of seismic data acquisition services. Routine discoveries and observations may include, for example, the need for improved equipment performance, better and more economical methods for the control of external factors affecting acquired data, improved process management relating to the means and methods of deployment and retrieval of seismic equipment and the like. Non-routine discoveries and observations may stem from the testing of new or modified equipment or from natural or man-made events occurring during regular acquisition activity. These routine and non-routine discoveries and observations could potentially lead to new or improved seismic technology, methods and processes.

Geophysical contractors are in a constant race to deliver improved equipment, methods and processes while providing a protect-able degree of market differentiation, and the E&P companies desire the highest quality seismic data in ways that are cost effective and reliable. E&P and geophysical companies may both stand to benefit by further analyzing the intellectual property rights transfer clauses in their contracts.