



## Member Communication Experience



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Open Innovation offers engineering and construction firms the potential to increase their rate of innovation and the value of their intellectual property (IP). The following sections look at:

1. Requirements of open innovation
2. Sources of innovation
3. Client open innovation agreements
4. Supplier open innovation agreements
5. IP catalog

Perhaps the most important requirement for fostering open innovation is putting in place a culture that treats innovation and intellectual property (IP) as strategic assets. Innovation cannot be something that happens separate and apart from other corporate processes. It is not an after-hours activity nor is it simply a novelty idea or buzzword. Innovation must be an integral business process.

Like all business processes it must be managed and, importantly, innovation must be managed for its strategic potential. For some, innovation



company-specific, defined open innovation process as part of a contractual offering. The elements of the framework would contain:

- Increasing the client's perception, at the selection stage, of the extent and value of the intellectual property and know how that engineering and construction companies are bringing to the client.
- Provide a firm with clear re-use rights for innovations and intellectual property developed

Definition of covered parties – defining who the covered parties are and to whom rights under this agreement are extended to and who may concur on behalf of covered entities

Purpose of this open innovation agreement:

- Client – limit it to the specific facility or if necessary to a narrowly defined class of facilities
- The firm – defined broadly as executing this project and facilitating know how in this field of practice
- Identified customer and project needs anticipated
- Current technology gaps
- Anticipated contributions by each party

Specific challenges and opportunities contemplated under the agreement

Background IP

- The firm

Pre-execution IP (separate IP catalog document – discussed separately)

IP developed independently during the term of this agreement, including IP from one's own internal open innovation network or

## Foreground IP

- Definition of foreground IP to include any IP developed under this open innovation agreement, but specifically will exclude:
  - IP developed independently during the term of this agreement.
  - Improvements to existing background IP.
  - Specific areas of exclusion:
    - Improvements to existing background IP would be available for royalty free use under this agreement, but no conveyance of future rights is derived.
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The scope of innovation is broad, as seen in the following figure. Readers should consider potential innovation partners and select only those who can cover the potential landscape. (The darker the color, the greater the activity or value).

Bob Prieto was elected to the National Academy of Construction in 2011. He is a senior executive who is effective in shaping and executing business strategy and a recognized leader within the infrastructure, engineering, and construction industries.