



Understanding IP: Navigating IP Ownership

*What Do Nonprofits Need to Know About
Intellectual Property When Pursuing Innovation?*

CASE STUDY 06

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This case was written solely to provide material for learning. It does not illustrate either effective or ineffective handling of a managerial situation. Certain names and identifying details are fictionalized.

Quick Facts

- 1 nonprofit discovered that its externally built tool was licensed, not owned, requiring unexpected ongoing fees and questioning of ongoing viability - this nonprofit had a joint initiative stalled because of unclear IP terms

Industry Facts

- In Canada, copyright protection is automatic for original works created by a charity or nonprofit, so educational materials, reports, digital content, curricula, etc. become protected as soon as they are produced (unless the work is created under a "work-for-hire" or contract that assigns rights elsewhere). ([Charity Law Group](#))
- All charities and nonprofits inherently own some form of IP, this may include their name or logo (trademark), copyrighted material (reports, guides, digital content), or other IP such as industrial designs or patents if applicable. ([Muttart](#))
- For many nonprofits, IP represents a valuable but under-utilized asset that can support sustainability. Strategic IP management (copyrights, trademarks, licensing, trade secrets, etc.) can protect organizational identity, prevent misuse, and potentially generate revenue or licensing income. ([Neya Global: ResearchGate](#))

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Introduction

As Canadian nonprofits are testing earned revenue models, pursuing innovation, and adopting digital tools, they are stepping into new territory. Digital platforms, app development, and tools created in collaboration with consultants and funders open up important questions about ownership and intellectual property (IP) rights.

However, guidance tailored to nonprofits on this topic is scarce. Existing resources rarely go beyond the broad reminder that IP “can be an asset,” leaving leaders without practical steps to identify and protect it. At the same time, the Canadian government is investing millions into IP literacy through programs like [ElevateIP](#), but its focus is limited to startups, not nonprofits and charities.

The gap is critical. Without clear IP knowledge and strategies, nonprofits risk losing control of the very tools meant to drive their missions forward. This is exactly why Innovate Calgary set out to facilitate peer based exploration of issues related to IP. The organization also commissioned case studies to understand the challenges other nonprofits were facing and how they were addressing them.

This case study examines how nonprofits can build awareness of IP and develop strategic IP plans that support viability and sustainability. We draw on insights from experienced leaders and nonprofits that have navigated these challenges.

“If you can start with a good model, the costs you save for your organization going forward are huge.”

—A Nonprofit Executive leading a Canadian organization supporting at-risk families

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Executive Summary

Lack of awareness about intellectual property

In its work with nonprofits and social enterprises, Innovate Calgary noticed that most nonprofits were unaware of the risks and pitfalls of intellectual property ownership. Many were co-developing programs, platforms, or tools in partnership with consultants, external vendors, and funders while simply assuming ownership of anything developed under their umbrella. Unclear agreements and a lack of understanding around the ownership of assets often led to increased costs, legal issues, and stalled initiatives.

Building IP literacy through strategic guidance

Innovate Calgary worked with many nonprofits through the Business Model Enhancement Program (BMEP) to build their IP literacy. Coaches provided strategic guidance on risk and enterprise model development, and facilitated expert-led conversations and frameworks for navigating vendor contracts and partnerships. The program provided assessments that flagged IP gaps early, allowing nonprofits to take strategic action upfront and avoid costly mistakes later. Innovate Calgary also offered examples and frameworks for approaching IP ownership and protection.

Greater awareness and forward-thinking IP plans

Organizations that worked through the program with Innovate Calgary emerged with a better understanding about the various pitfalls of IP ownership in co-created programs, tools, and platforms. They shifted from a default assumption of ownership of any assets developed under their umbrella, to proactive negotiation and documentation to protect long-term viability, value, and ultimately, the mission.

“Every hour I spend dealing with IP challenges is an hour that I don't spend raising funds, supporting staff, or working on something that is going to drive impact.”

—A Nonprofit Executive leading a Canadian organization supporting at-risk families

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Challenge: Bringing awareness to the asset nonprofits don't know is at risk

In nonprofits, the mission often takes centre stage. But that focus can leave critical details like intellectual property overlooked until it's too late. This was a key pattern Innovate Calgary observed across its work with nonprofits.

Organizations had ambitious visions for creating impact in their communities. To bring those ideas to life, they entered into partnerships with consultants, vendors, and funders, often without clear ownership agreements or an understanding of long-term access to the assets they were building together. As tools, platforms, programs, and apps were co-developed, there was an unspoken assumption that anything produced under a nonprofit's umbrella automatically belonged to it.

Over time, these assumptions left nonprofits entangled in steep ongoing fees for small changes to tools and apps, reproduction of shared programs, and even expensive legal battles to secure rights to the assets. The reality is that missing agreements or buried clauses in partnership contracts can leave organizations blindsided, sometimes discovering after a decade of investment that they don't own what they've built.

"When I started this, I just wanted to put good out into the world," says a senior manager caught up in legal proceedings to extricate her organization from agreements that assign IP rights of its programs to a controversial entity. "Why am I now dealing with this? How is this my job? But that is the job. Senior managers of these organizations, no matter what size, have to be ready for this."

The challenge was clear: nonprofits needed to see IP not as an afterthought, but as a strategic asset. They had to understand that IP ownership was not automatic, and that securing licenses and clarifying long-term access to co-created tools and programs were essential. Innovate Calgary recognized this as a critical knowledge gap for nonprofits and stepped in to guide conversations, share frameworks, and help organizations navigate the landscape together

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Innovation: Early intervention through guidance, frameworks, and peer-based learning

Through the BMEP program, Innovate Calgary worked toward building IP literacy among Alberta-based nonprofits. The goal was to increase awareness and capacity so that the nonprofits could consider IP early in their innovation journeys.

The organizations that participated in the BMEP program were often in the early stages. As such, Innovate Calgary knew it was crucial to guide them as they set out to scale partnerships, seek funding, and spin up new tools.

The BMEP program supported nonprofits in multiple ways, including:

- **Organizational assessments** flagged IP gaps early in the innovation journey, before organizations made major investments in tools, platforms, or partnerships they may not end up owning.
- **Strategic guidance on risk and enterprise model development** helped leaders understand how IP fit into their overall business model, sustainability planning, and risk management.
- **Expert-led conversations and frameworks** guided nonprofits through navigating vendor contracts, consultant agreements, and partnership structures with IP protection in mind.
- **Peer-based exploration of issues like IP ownership and sustainability** helped nonprofits learn from each other's experiences.



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Outcomes

Shifting from default assumptions to proactive planning

For the nonprofits that participated in BMEP, the process was eye-opening. Through guided assessments and peer discussions, they emerged with a better understanding of IP and strategic plans to move forward.

Organizations realized that IP ownership isn't guaranteed, and they began putting structures in place to protect the innovations they'd worked so hard to build. They also asked important questions that revealed critical IP gaps and pointed to areas that needed work within their organizations. Questions included:

- Do we actually own this platform we paid to build?
- What happens if the consultant relationship ends?
- Do our employment contracts specify who owns IP for products employees work on?
- Can we scale this program or are there licensing restrictions?

At least one participating nonprofit discovered that its externally built tool was licensed, not owned, requiring unexpected ongoing fees. Innovate Calgary also found that most organizations lacked IP contract templates, as well as trademarks on names, programs, or more.

The awareness led to the nonprofits reviewing their existing contracts for IP clauses they had previously overlooked, revising negotiation terms for ownership, updating employment agreements to clarify that IP developed using organizational resources belongs to the organization, and building internal policies for approaching IP in partnerships. The nonprofits moved from assumptions to proactive strategic planning supporting the long-term viability of their assets in service to their mission.

“Owning your IP doesn't mean you are gatekeeping it,” says the senior executive facing legal challenges to renegotiate IP. “It just means that you now have the agency to decide how your assets are used.”

For nonprofits and social enterprises pursuing innovation, IP literacy is becoming as fundamental as financial literacy or governance knowledge. The work of building that awareness through expert guidance, peer learning, and shared experiences is just beginning.

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Key Lessons & Takeaways

Top 5 tips on navigating IP as a Nonprofit

From a senior non-profit executive with experience navigating IP

1) Know what IP is

Remember that intellectual property may not always be called "IP" in contracts and agreements. Sometimes it might be labelled "program materials," "course content," "curriculum content," or "proprietary knowledge."

2) Don't assume you have ownership

IP ownership is not automatic. Just because your organization funded an initiative, led a project, or had good intentions doesn't mean you automatically own the intellectual property. Legal ownership, which often includes the right to share and change the IP, requires explicit documentation in contracts.

3) Address IP explicitly in employment and consultant contracts

Ownership can get murky if contracts don't clearly state that IP developed by staff or consultants belongs to the organization. Include clear language in contracts. Clarify ownership and modification rights. And beware of "perpetual license" language that gives you access but not ownership.

4) Renegotiate if needed

You don't have to accept problematic IP terms. Agreements can be renegotiated for mutual and community benefit. One Canadian nonprofit negotiated rights to communities retaining Indigenous IP in pre-existing contracts, since Indigenous knowledge is collectively owned and often oral rather than written.

5) Compare costs of addressing IP against ongoing costs and risks

While upfront investment in legal fees and contract renegotiation may feel like a major expense, you must compare it to the cost of not addressing IP. This includes ongoing licensing fees, the inability to innovate, senior staff time spent reacting to problems, and business risk if relationships change.

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Discussion Questions

1) What risks do nonprofits face when they assume automatic ownership of tools, programs, and platforms developed under their umbrella?

2) What practical steps can organizations take early in the innovation journey to avoid costly IP disputes later?

3) What role can funders and leaders play in helping nonprofits build IP literacy and protecting their assets?

