

Founders are losing their IP. Here's how to protect yours.



Verify what you own before you sign, build, or hand over access.

Most founders don't lose their Intellectual Property (IP) because they were careless. They lose it because they don't know what to look for. This checklist gives you a starting point. Work through it before you hire, before you sign, and before you ship.

1. BEFORE YOU SIGN ANYTHING

- Get an NDA (non-disclosure agreement) signed before you share anything about your product, process, or idea.**

An NDA is a legal agreement to keep information confidential. Get it signed before the first real conversation.

- Get everything in writing. No verbal agreements.**

If it's not in writing, it doesn't protect you. Verbal agreements are nearly impossible to enforce.

- Make sure the contract includes an IP assignment clause.**

This clause explicitly transfers ownership of all work to your company. Without it, the contractor may retain rights to what they built for you.

- Define the scope of work clearly in the contract (if working with a fixed bid).**

Vague scope creates disputes. If it's not written down, anyone can claim it was out of scope.

- Require your developer to disclose any third-party code, open-source libraries, or tools they plan to use.**

You can't own third-party code, but you need to know what's in your product. Some open-source licenses have restrictions that affect how you can use or distribute your software.

- Keep a copy of the signed contract.**

Both parties should have a signed version. Store it somewhere you can find it in two years.

Developers are quoting double. Most founders overpay.

Protecting your budget is just as important as protecting your IP.

Most founders sign quotes they don't understand, from developers who know exactly how much they can get away with.

The App Cost Calculator was built by our CTO, Al Del Degan, a developer with 30 years of experience and a track record with DC Bank, the City of Calgary, and Calgary Airport Authority. It gives you the same cost clarity agencies charge \$5,000 to \$25,000 for. It's only \$197, and this is credited back to you if you decide to work with us.

Don't negotiate blind.

[Find out what your app should actually cost →](#)

2. VETTING YOUR DEVELOPER OR CONTRACTOR

Verify their identity and business registration.

Know who you're contracting with. A registered business is easier to hold accountable than an individual. [Proven steps to hiring the right developer →](#)

Ask who else will have access to your codebase.

Contractors sometimes subcontract without telling you. Every person with access is a potential risk.

3. DURING THE BUILD

Make sure the code repository is owned by your company, not the contractor.

You should be the account owner on GitHub, GitLab, or Bitbucket. Not them. If they control the repo, they control your code.

Get admin access to all platforms, tools, and accounts.

Hosting, domain registrar, analytics, payment processors. If your name isn't on the account, you don't own it.

Ask for regular code commits and make sure you can see the history.

Regular commits mean you can see what was built, when, and by whom. It also protects you if the relationship ends suddenly.

Require documentation to be created alongside the build.

Without docs, you can't hand this off to another developer later. Undocumented code is a dependency on whoever built it.

Require written approval before any major technical decisions are made.

Architectural choices made without your knowledge can create IP and licensing issues you don't know about until it's too late.

4. WHEN THE PROJECT WRAPS

Get all source code, assets, and documentation in your hands.

Everything that was built for you should be in your hands.

Transfer all third-party accounts and licenses to your company.

Domain names, hosting accounts, software licenses: each one should be in your name before the final invoice is paid.

Test that everything still works after access is removed.

Occasionally, developers set up dependencies that break when they leave. Test everything before you consider the engagement closed.

5. ONGOING PROTECTION

Your brand name and logo are trademarked.

A trademark protects your brand in your market. Without one, a competitor can register your name and you may have no legal recourse.

All employees have signed an employment agreement with an IP assignment clause.

What your employees build on company time belongs to the company. This needs to be explicit in writing.

Trade secrets are documented and access is restricted to those who need it.

You can't protect something you haven't defined. Write down what makes your product or process unique, and limit who sees it. [Security & Compliance Resource Guide](#) →

You review IP ownership annually as the company grows.

As you hire, partner, and build, the IP picture changes. A quick annual review catches problems before they become expensive.

Not sure where you stand? New Idea Machine works with founders to build the right technical partnerships from the start. We can review your current contracts, help you understand your risk, and set up a process that protects what you're building. newideamachine.com/contact-us

This checklist is for informational purposes only and does not constitute legal advice. Consult a lawyer for guidance specific to your situation. | newideamachine.com