



BLACK LAW STUDENTS'
ASSOCIATION OF CANADA
L'ASSOCIATION DES ÉTUDIANTS
NOIRS EN DROIT DU CANADA

BLACK LAW STUDENTS' ASSOCIATION OF CANADA
CIVIL LAW NEGOTIATION COMPETITION

Area of law: Negotiation in technology law
Theme: Privacy, Intellectual Property

NEGOTIATION SIMULATION WRITTEN BY BLAKES
FACTS COMMON TO START-UP PARTIES AND DEVELOPERS

AppÉtit is a Montreal-based start-up working to develop innovative applications in the food space. Since 2022 they have been working on “13 chilis de trop”, an application that is designed to reduce food waste and encourage individuals to share extra ingredients they have in their home with their neighbors and local community before the ingredients go bad.

AppÉtit is made up of six employees, four of which are developers, and two marketing professionals. While the developers are highly skilled, they sometimes find that they require collaboration with software developers who have specialized knowledge. In this case AppÉtit would like to integrate an AI component into the application, where users can store recipes that they plan on cooking, along with lists of ingredients, and the application will automatically suggest which ingredients might be leftover and should be listed for sharing with the community. In order to do this, AppÉtit is collaborating with AI pour tous, a small company made up of three developers who program AI applications for other peoples' projects.

The two companies would like to enter into an agreement whereby they lay out the terms of this collaboration. While the companies are eager to work together, there are certain details that they are not aligned on and that will need to be worked out. AppÉtit has been following the news regarding changes in Quebec with respect to privacy legislation and is particularly concerned about whether or not AI pour tous is up to date in its compliance with data processing obligations and who will hold liability for the proper treatment of any personal information that is processed. The company team want to make sure that data that is collected by the artificial intelligence component in the app is processed in such a way that they are not opening themselves up to liability from customers for failure to comply with the laws. They are also cognizant of the increase in cyber-attacks and want to make sure that they have measures in place to mitigate the risks should they become a victim. AppÉtit also wants to make sure the software stays up to date and want a plan in place to ensure the long-term use of this component. With developments in operating systems and software improvements, they need to be sure that the artificial intelligence component will be updated if necessary, so that it does not become obsolete in only a few months or years. They also do not have an enormous budget to pay for future new development, and therefore need a sustainable plan for cost effective maintenance and updates.



@blsacanada



Black Law Students'
Association of Canada



www.blsacanada.com



BLACK LAW STUDENTS'
ASSOCIATION OF CANADA
L'ASSOCIATION DES ÉTUDIANTS
NOIRS EN DROIT DU CANADA

For their part, AI pour tous is interested in who will own which parts of the developed software. Often, developers own their background IP, the work they have developed prior to the project, and which forms the basis of the work they do but will assign over anything they develop specifically for the client. AI pour tous, understands that this is probably what AppÉtit is expecting, but they are wondering if they can continue to own all the work that they develop, and instead provide AppÉtit with a non-exclusive license to use it. This will need to be worked out. AI pour tous, also wants to iron out the details regarding the ongoing support services that they will be asked to provide with respect to the artificial intelligence component in the app. As they are a very small company, they do not have infinite resources to provide support, on demand for another company, and they want to clearly delineate when and how often they will be available, as well as how much it will cost, and who will pay.

Both parties have consulted with their lawyers and are ready to move toward negotiating the terms of this collaboration.

Reminder: Teams will receive confidential facts according to the party they represent.



@blsacanada



Black Law Students'
Association of Canada



www.blsacanada.com