How Intellectual Property Can Create an Income Stream Even When You're at Work

Using intellectual property to your advantage can become the perfect side hustle, one that generates income even when you're not around.

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The following excerpt is from Nightingale-Conant's book The Power of Passive Income: Make Money Work For You*. Buy it now from* Amazon | Barnes & Noble | Apple Books | IndieBound

Sometimes people assume that leaving the salaried world means starting a whole new life. In a way, that's true, but it shouldn't mean abandoning everything you've learned and gotten good at. If you're working in the marketing department of a large corporation, for instance, you don't have to go into an entirely new field just because you want to become self-supporting. Instead, ask yourself how you can create passive income by using the skills you've already developed.

When you do this, you'll find that often it takes you into the area of intellectual property – that is, work you've generated in the form of words, sounds, or images. All these can be copyrighted, and you can gain income by allowing access to them. In short, intellectual property is the ultimate side hustle.

Here's an example. Marli, a freelance translator, noticed a discussion on the internet about copyright issues. She

wondered, “Do I have any rights to the translations I produce?” The answer turned out to be yes, especially if there was no contract stating otherwise. This led to some very productive ideas for creating passive income. Here is her story:

When a piece of writing has been out of print for many years, the copyright ownership of that book may lapse. Or in the case of a foreign language document, it may be the copyright of the translation that loses force. As a translator, the difference between these two issues is very important to me. For example, no one owns the copyright to Shakespeare’s plays. I can print an edition of the plays on my computer and try to sell it, and neither Shakespeare’s heirs not his many publishers can object. But if I translate Hamlet *into Finnish and someone in Finland wants to publish my translation, they have to get my permission – even though the play itself is in the public domain. Once I understood this, I immediately started translating some well-known public domain stories, especially stories that are often anthologized. This has been an excellent passive income stream for me – and the more stories I translate, the bigger it gets.*

Be aware of the many areas of your life in which you may be producing something that qualifies as intellectual property. If you’re in a service industry such as consulting, photography, or even manufacturing, there’s a good chance this is the case – and if it is, here are some steps you should take right away.

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Copyright it

Assert your rights by inserting a copyright notice, getting trade or service marks, or obtaining patents to protect the product of your work. You must protect the fruits of your

labors by making it difficult for others to sell it or use it for their own profit. It’s actually much easier than you might think to copyright something. Usually just stating that material is copyrighted – at the bottom of a website, for example – is legally all it takes. With printed texts, just draw the letter “c” with a circle around it, then write your name. Copywriting designs or software innovations can be a bit more complicated, so it’s a good idea to consult an attorney. But don’t neglect taking this step. You can’t draw passive income on intellectual property unless you can prove that the property is yours.

Charge a protected license fee

Charge a separate fee for your protected materials whenever they’re used. This can provide a major passive income stream. And if you can’t be sure that you’ll be able to control the use of your creations, you can deal with that problem in your original contract.

Here’s a case in point. You’re a landscape architect and you create a beautiful design for the parklike area around a new office complex. You invested time, talent and imagination in the creation of this design. If another real estate developer wants to develop a similar office park, it’s very possible the developer will copy your design without any compensation for you. To deal with that possibility, you can negotiate a licensing fee from your original client in addition to whatever your one-time payment might be. This will insure you against the probability that your efforts will be reused for profit by others.

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Negotiate a royalty

You can also negotiate a royalty if a client uses your copyrighted material to generate sales. This is a legitimate fee for the continuing use of your intellectual property by a profit-making enterprise.

Subcontract work

You can also create passive income by subcontracting with other professionals to help create the intellectual property you sell. Be sure to have both parties sign off on an agreement that allows you to either license or purchase their work outright for inclusion in your content. For example, if you want to create an online course module but are terrible at design, outsource that function and create an agreement that gives you ownership of the design. Outsourcing some of these functions can vastly increase the total volume of work you can handle, and the income you make will be compensation for your administration and quality control efforts.

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Market your intellectual property

There are plenty of opportunities out there to grow your side hustle by way of intellectual property once you start thinking creatively. An excellent way to start is by joining an affiliate program related to your main area of expertise. These programs allow you to collect a commission for any sales that come through the affiliate links. By associating your own intellectual property with related affiliate programs, you not only bank extra cash but also get the halo effect of being linked to other companies.

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