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**HOW TO IDENTIFY, PROTECT AND BENEFIT FROM YOUR
INTELLECTUAL PROPERTY**

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WHAT IS INTELLECTUAL PROPERTY (“IP”)?

Let us firstly consider what we normally mean by “intellectual property” or “IP” and what type of rights fall within the definition of IP rights. IP is normally defined as comprising patents, copyright, registered and unregistered trade marks, registered and unregistered design rights, trade secrets, confidential information and know-how.

Frequently a distinction is drawn between registered intellectual property and unregistered intellectual property. Registered intellectual property includes patents, registered trade marks and registered designs i.e. rights that are granted as a result of registration. Unregistered rights include rights such as copyright, unregistered trade mark rights and unregistered design rights whereby formal approval of, e.g., any particular government or state body is not necessary for the rights to subsist.

I set out below briefly what we mean by the various rights comprised in the definition of IP.

- Patents are monopoly rights in an invention which can be enforced against third parties and are protected in Ireland by the Patents Act 1992 (as amended).
- Copyright is the exclusive right to do or authorise others to do certain acts in relation to original literary (which is defined as including software), musical, dramatic or artistic works. Copyright is given statutory protection in Ireland in the Copyright and Related Rights Acts 2000 (as amended).
- Trade Marks are signs capable of being represented graphically which can distinguish the goods or services of one undertaking from those of another. They are given statutory protection in Ireland under the Trade Marks Act 1996 (as amended).

- Designs are protected by the Industrial Designs Act 2001 (as amended) which protects the appearance of articles, both 3 dimensional (shape) and two dimensional (surface decoration).
- Trade secrets are information in relation to commercial processes, e.g. manufacturing or production, which, if disclosed, would constitute breach of confidence or of contract.
- Confidential Information is information which parties to a contract or arrangement require not to be made public or disclosed to third parties.
- Know How is information and techniques likely to assist in the manufacture or production of goods etc.

All businesses, regardless of size, have intellectual property. Intellectual property should be protected for the following reasons:-

- Intellectual property can be a very valuable asset. In certain circumstances, it is capable of being valued and included as an asset in your accounts. At times when other assets e.g. real property are decreasing in value this can be of immense assistance.
- As an asset, intellectual property may be used to raise finance.
- As an asset, intellectual property can be exploited not simply by using it in the day to day business but also by licensing it or selling it and thus obtaining revenue for a business.
- An item of intellectual property may be the thing that sets a business apart from the business of its competitors. Intel, Apple and Microsoft have all become platform leaders in their industries due to their technological innovation. These

businesses provide clear examples of the benefits which businesses can derive by patenting their inventions and registering their designs thereby ensuring a monopoly for a period of time.

- Intellectual property offers customers something new and different. For instance the Applications Store has become the centrepiece of Apple's iPhone marketing due to the innovative nature and distinctiveness of such a concept. The range and variety of applications now available satisfy almost every consumer niche and market. Another example is Evian which provides environmentally conscious consumers with an eco-friendly water bottle which would be protected by design rights.
- The better protected intellectual property is, the easier it will be for its owner to enforce it.

HOW DO YOU PROTECT YOUR INTELLECTUAL PROPERTY?

Principally, you protect intellectual property as follows:

- By registering it where registration is available and appropriate.
- By protecting it in some of the practical ways outlined below.
- By defending it when others exploit it without permission.
- By exploiting it so that it generates an income and so that it does not become vulnerable to challenge by a third party by its non-use.

INTELLECTUAL PROPERTY MANAGEMENT

Every business, large or small, needs an intellectual property management strategy. This does not need to be an elaborate document, it can merely consist of a few bullet points outlining the business' approach to protecting, defending and exploiting its intellectual property. Every business should have someone in charge of its intellectual property management strategy. If the size of the business permits, this function may be carried out by someone internally or alternatively, if size does not permit, may be handled externally by lawyers and this will ensure that a proper database of rights is maintained and no deadlines for renewing any registered rights are missed.

IP Audit

Every business should, on a regular basis, conduct an intellectual property audit. There is a phrase which is particularly apt here "If you don't measure it, you can't manage it". The purpose of the IP audit is as follows:-

- To identify all IP used in the business.
- To ascertain who owns it.
- If it is owned by a third party to ascertain if the business has permission to use it.
- If it is owned by the business to ascertain how is it protected and if it adequately protected.
- To assess the importance of each item of IP to the business and to ascertain its value, if possible.
- To ascertain if the business could be infringing the IP rights of any third party.

- To identify any unexploited IP.

It is important that any IP audit is followed by an action plan or list where inadequacies are highlighted and a strategy is put in place with costings to counter them.

FURTHER DISCUSSION OF MAIN INTELLECTUAL PROPERTY RIGHTS

Set out below, briefly, are the main intellectual property rights with some practical advices in relation to each.

Patents

Patent registration protects an invention for a period of up to 20 years.

Searches

It is important before filing for patent protection that adequate searches are carried out to ensure firstly that there is a good chance the patent application will secure registration i.e. that there is not any other prior patent application or registration which may prevent the registration and secondly that in exploiting the invention the rights of any third party will not be infringed.

Watch Service

In addition, when a patent is registered it is important to ensure that there is an arrangement in place with a patent agent or with one of the many external companies to monitor future patent applications in the areas of interest so that if a patent is applied for in an area which may conflict with the invention, there is an opportunity to oppose or challenge such application.

Modification of an invention

It is also important if an invention is modified or varied in any way to ensure that appropriate advice is taken as to whether there may be sufficient grounds to file a new patent application.

Trade Marks

Essentially trade marks are the way goods and services are represented. The key feature of a trade mark is that it is distinctive of those goods or services and serves as a badge of origin to the consumer.

Passing Off

It is possible, without registering a trade mark, to get protection at common law by virtue of what is known as the action for passing off. This is where you can show that you have reputation in the particular name. However, it is best to also register any trade marks as you can enforce a trade mark without proof of reputation.

Searches

Like patents, it is important for the same reason that trade mark searches are carried out prior to filing any trade mark application to see if there are likely to be any obstacles to registration and also to ascertain if use of the trade mark is likely to give rise to an infringement action. However, again like patents, it is important that when a trade mark is registered, you may wish to engage the services of a watch agency who will watch for applications for marks which are similar or identical in the territories of interest.

Use It or Lose It

You should also monitor on a regular basis whether your trade mark is actually being used in the same form in which it is registered as if it has been varied in any way when it is

actually being used, that may mean that a mark is not being used in the form for which it is registered. This may make a registered mark vulnerable to cancellation for non-use and mean that the proprietor does not in fact have registered rights for the mark which it is using.

Good and Services Specification

Businesses change over time and frequently it will happen that a goods and services specification no longer fully represents all of the goods in respect of the mark or the services provided under that brand. Therefore regular monitoring of the goods and services specification is also important.

If a particular trade mark is no longer being used you may want to consider whether it could be sold or licensed to a third party.

Company Names

When considering a trade mark it may also be appropriate to check the Companies Register and also the Business Names Register to ensure that there are no identical or similar names on those Registers which might give an indication that a third party would be in a position to claim common law rights in the name proposed. If you are considering registering a particular name as a trade mark and it is going to be a house brand rather than perhaps a brand for a particular product you may want to consider also registering a business name and company name incorporating that word if it is not already part of your company name. It is important to note however, that ownership of a business name or company name does not give you any trade mark rights but is pertinent to building brand recognition.

Domain Names

The internet has become an integral part of carrying on business for most businesses. It is therefore important that relevant trade marks are registered as domain names where

possible. Some businesses prefer to simply use the .com domain name whereas others use country domain names as well e.g. .i.e., .co.uk etc. Most registration organisations have dispute resolution policies in place should a difficulty be encountered with someone else e.g. registering your trade mark as a domain name.

Design Rights

What is protected?

Design rights offer protection for the physical appearance of items. A design can be anything from a pattern on a textile or plate to the shape of a bottle or the design of part of a product, such as a saucepan handle. A design can distinguish your goods from those of competitors. It can be a significant selling point and form an essential part of the branding of your business.

Design rights can be registered and unregistered. Unregistered design rights last for 3 years. Registered design rights last for five years initially but can be renewed every five years for a maximum of 25 years.

Copyright

How to Establish Proof of Right

Copyright gives automatic protection to original literary (which is defined as including software), artistic, musical or dramatic works. Unlike most other intellectual property rights, you do not have to apply for protection and there is no register of copyright owners. Items such as a website and instruction manuals etc. would be protected by copyright. Because it is not a registered right in practice this is the right where one most often finds that clients may have difficulty establishing proof of their right in the copyright work. The copyright symbol and the date should always be placed on all hard copy items and also e.g. on electronic items. It may also be appropriate to deposit a hard copy of items with e.g.

your solicitor to establish dates or an alternative method is to post the relevant item to yourself and leave the envelope unopened.

Trade Secrets

Trade secrets are obviously items that are secret to the particular business and because of this it is very difficult to be general in terms of how to protect them. However, if you have something which could constitute a trade secret you should be very clear as to what it is and act sensibly in how you protect such trade secret in terms of keeping it secure, determining who has access to it etc. and only reveal it under strict obligations of confidentiality.

Confidential Information

Confidential information can clearly include items such as trade secrets but is also much broader in that it could cover things like business plans, customers lists etc. Confidential information should be clearly marked as such and not disclosed to anyone unless they have signed a Confidentiality Agreement. Most reasonable business people will sign such agreements and if they do not that should be a warning that they probably will not have much regard for your confidential information.

Know-How

Know-how unfortunately often is in someone's head. If that is the case it sometimes may be appropriate to commit it to writing and protect it in the same way as you would confidential information or a trade secret.

Territoriality

It should be remembered that for registered intellectual property rights like patents, trade marks and designs, protection is generally territorial. It is important therefore for

businesses to identify their countries of interest and particularly on entering into a new market to have a checklist which includes ensuring that IP rights where possible become registered in that jurisdiction.

INFRINGEMENT

Enforce It or Risk Losing It

It is highly likely that at some time a business will either find somebody using its intellectual property without its consent or it will be accused of using somebody else's intellectual property without their consent. Businesses are often reluctant to enforce their IP rights as they feel they may become embroiled in expensive litigation and lose control of the matter. However, it is important to remember that if you do not enforce your rights you could end up losing them or at least having them reduced in value. Not all disputes about intellectual property end up in court. The first step would be to send a cease and desist letter and that may bring matters to a satisfactory conclusion.

Infringer May Become Licensee

Alternatively, a cease and desist letter may be the first step in a process whereby the parties come to an amicable arrangement e.g. somebody who is infringing your patent rights may be capable of becoming a licensee and thus generate a revenue stream for you.

Alternative Dispute Resolution

There are alternatives to litigation like arbitration and mediation which may be able to be used depending on the circumstances. If ultimately you do have to proceed to litigation we do have the Commercial Court, a division of the High Court which is capable of hearing commercial disputes involving intellectual property issues regardless of their value. Admission to the Commercial List is not automatic. You do have to apply and comply with the various rules. However, if you are successful in getting your case admitted to the List,

the cases in the Commercial List are highly case managed and whilst costs may be frontloaded it does result in a narrowing of the issues in dispute by the time the case comes on for hearing.

Respect IP Rights of Third Parties

As regards someone suing you for trade mark infringement you should have as your philosophy that if you want others to respect your rights you should establish a reputation for respecting the rights of others. I have outlined earlier advice on conducting searches before e.g. you embark on using a trade mark. However, if you do find yourself accused of infringement it is important that you do not ignore the correspondence but take appropriate advice at the time.

Defences to Patent Infringement

In the context of patents, set out briefly below are some of the defences you might be able to utilise to a patent infringement claim.

- Without stating the obvious, to be successful in an infringement action it must be the case that the alleged infringer has not carried out the acts with the consent of the patent holder. Therefore it is important for future use if you have been granted permission to use a patent by somebody else that you keep a good record of that authorisation so that you cannot be later accused of infringement.
- You may be able to attack the patent which you are accused of infringing e.g. it might be invalid.
- You may have been using the particular invention before the date of filing of the patent in question which may mean that the patent holder is not entitled to stop you.

- A patent holder is not entitled e.g. to use their patent to prevent private use or use for non-commercial or experimental purposes.

Therefore it is important to take advice when you are accused of infringement as there may be defences to your actions.

EMPLOYMENT/CONTRACTORS

Who is the owner of the IP?

As a general principle any IP rights created by employees generally belongs to their employer. However, it is still advisable to state the position clearly, unequivocally and explicitly in the contract of employment. Employers are generally good at doing this when it comes to staff who are involved in research and development. However, businesses should look beyond the obvious and realise that IP can be created by persons other than those involved in research and development. For example, marketing personnel create intellectual property when they create marketing materials or training brochures and employees involved in compiling databases also create IP.

Recordal of Information

It is also important that businesses have a system for the recordal of information. Details of research notes, designs and any meetings or discussions relating to inventions or developments should be noted in logbooks and, if necessary, such entries witnessed and dated. Such logbooks should be kept in a secure place. It is also advisable to make the obligation to keep such logbooks and records part of contracts of employment.

Moral Rights

Moral rights may also be relevant. These rights are enshrined in Irish copyright legislation and in the legislation of many other countries. They consist of the paternity right, the

integrity right and rights concerning false attribution of a work and the right to privacy in photographs and films. The paternity right is the right of the author of a work to be identified as the author of that work. There are, however, exceptions to this right in that it does not apply where the copyright in the work originally vested in the employer or where the work is made for the purpose of reporting current events. It also does not apply where the work was made for the purpose of a newspaper or periodical or an encyclopaedia, dictionary, year book or other collective work of reference or in relation to a work made available to the public with the licence of the author for those purposes. The integrity right is the right of an author of a work to object to any distortion, mutilation or other modification of or other derogatory action in relation to the work which could prejudice his or her reputation. Again there are exceptions to this right. In addition, a person has the right not to have a work falsely attributed to him and also a person who, for private or domestic purposes, commissions the taking of a photograph or the making of a film has, where copyright subsists in the resulting work, the right not to have the work or copies of the work made available to the public. Moral rights may be waived but they may not be assigned.

Confidential Information

Confidential information is information which the owner requires not to be made public or disclosed to third parties. Confidential information can include customer lists, marketing plans, budgets, forecasts and trade secrets.

As employees regularly have access to confidential and sensitive information about the business and about its intellectual property rights, it is advisable to ensure that all contracts of employment, regardless of the status of the employee, includes a confidentiality provision prohibiting the employee from revealing such information. While obligations of confidentiality exist under common law, it is easier to enforce those obligations where they are contained in a written contract of employment in the event that it is necessary to issue proceedings seeking injunctive relief against an employee.

Contractors

Contractors (sometimes referred to as freelancers or independent contractors) are people who are not employees of the business. For the business to own any IP rights created by such contractors on its behalf, such IP rights need to be specifically assigned to the business. If this is not done, whilst the business will most likely have an implied legal right to use whatever IP has been created, it will have no right to exploit it. Therefore where e.g. an external person or organisation designs a website or designs packaging or promotional material, the business engaging the external person will not e.g. be able to perhaps use some or all of that promotional material in a different promotion at some point in the future unless an assignment is given.

SECURITY

It is very important that all materials relevant to intellectual property rights or which comprise intellectual property rights be kept in a secure but easy to locate place. It should either be kept in a safe on the premises or alternatively lodged with a solicitor.

The following practical steps should also be put in place.

- Ensure access to all sensitive and confidential information is password protected.
- Limit access to those passwords to individuals on a “need to know” basis.
- Ensure there is good anti-virus software and ensure that that software is kept up to date.
- Ensure all systems have firewalls to prevent hackers or any other unauthorised users gaining access to the systems.

- Ensure that there are regular backups of the system and that such backups are also stored securely.
- Have a risk strategy in place for dealing with computer failure, fires, flooding etc.

LICENSING OF INTELLECTUAL PROPERTY

If you are not in a position to exploit some of your intellectual property yourself or simply do not want to do so e.g. because it is not a patent relating to what you regard as a core area of your activity anymore, it may be possible for you to licence it to a third party.

Terms of the Licence Agreement

There terms of the Licence Agreement will obviously depend on the factual situation but some items that are common would be as follows:

- A licence may either be royalty free i.e. you are not getting any consideration from the licensee or alternatively you must set out the mechanism by which consideration is calculated.
- It is important that the Licence Agreement is very clear on what exactly is being licensed. Is it just a particular invention or is it e.g. the right to exploit a patent, use a trade mark and copyright in information leaflets?
- It is important that the period of time of the Licence Agreement be clear or at the very least the circumstances where the licence can be terminated by either side.

- Licenses are generally exclusive or non-exclusive. If a licence is non-exclusive it means that you can grant similar licenses to others. You also frequently find, where a licence is exclusive, there may be circumstances where the licensor is entitled to turn it into a non-exclusive licence.
- As mentioned previously, intellectual property rights are, in general, territorial. However, where IP is protected in a number of territories it is important that any Licence Agreement makes it perfectly clear the territory in which the licensee is being granted rights.

THE UNITARY PATENT AND THE UNIFIED PATENT COURT

After years of deliberation, the idea of an EU-wide patent may soon come to fruition. The concept of the Unitary Patent will allow for a single application to be made to the existing European Patent Office for pan-European protection. This system differs from the existing European Patent, which essentially grants a bundle of national patents rather than one a single patent. The Unitary Patent is currently expected to come into force in late 2015 or 2016.

Complementing the Unitary Patent will be the new Unified Patent Court (UPC). Currently, national courts in each contracting Member State can decide whether a European Patent has been infringed in that State or whether the patent is valid in that State. This can give rise to difficulties when a patent proprietor wishes to enforce its European Patent (or when a third party seeks the revocation of a European Patent) in several countries as different courts can reach different decisions. It is hoped the UPC will solve this problem. It will be comprised of a Court of First Instance, a Court of Appeal and a Registry. The Court of First Instance will be composed of a central division (with seat in Paris and two sections in London and Munich) and by several local and regional divisions in the Contracting Member States to the Agreement. The Court of Appeal will be located in Luxembourg. On 13th November 2014 the Irish Government announced that it has decided to host a local

division of the UPC in Ireland. However, it will be necessary to hold a referendum to amend the Constitution before the court can be established.