

Managing your Intellectual Property

copyrights, trade-marks,
trade secrets and patents

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Intellectual Property

- ④ Four pillars of intellectual property
 - ④ Copyrights
 - ④ Trade-marks
 - ④ Trade secrets
 - ④ Patents
- ④ Other forms of IP
 - ④ Industrial design
 - ④ Plant breeders rights
 - ④ Integrated circuit topography



Quiz

- ◉ What types of IP protect software?



Copyright

- © Copyright protects the expression of idea, not the ideas themselves
- © Copyright is the sole right to produce or reproduce a work, or a substantial part of a work



Copyright

- © “Work” includes books, songs, computer programs, instruction manuals and website designs



Copyright

- ⦿ Requirements:

- ⦿ Originality: the exercise of skill and diligence, but not necessarily creativity
- ⦿ Fixation: must be expressed to some extent at least in some material form



Copyright

- ⦿ As a general rule, the author (or creator) of a work is the first owner of copyright
- ⦿ Freelancers or independent contractors are considered the “author” or their creations
- ⦿ Employment is an exception to the general rule

Moral Rights

- ⦿ Moral rights give the author of a work the exclusive right to be associated with the work and to the integrity of the work
- ⦿ Moral rights can only belong to people
- ⦿ Moral rights cannot be assigned, only waived





Copyright Protection

- ◉ Arises automatically
- ◉ © notices should be used
- ◉ Registration enhances rights
 - ◉ Simple and inexpensive to register
 - ◉ Registration in US is more significant



Copyright Management

- ⑥ Focus on ownership and rights
- ⑥ How are works developed?
- ⑥ What do your contracts say about copyright?
 - ⑥ Employment agreements
 - ⑥ Service contracts
 - ⑥ Licenses



Copyright Questions?



Trade-marks

Interbrand's most valuable brands (2006):





Why are trade-marks important?

- ⑥ The goodwill associated with products and companies reside in their respective trade-marks
- ⑥ Consumers make decisions based on trade-marks



Managing trade-marks

- A. Picking a good trade-mark
 - I. Distinctiveness
 - II. Searching and Clearance
 - III. Assessing Risks
- B. Registration
- C. Enforcement



A. Picking a good trade-mark

I. Distinctiveness

- ⑥ Distinctiveness is the key to choosing an effective trade-mark
- ⑥ The purpose of a trade-mark is to distinguish your wares and services from those of your competitors. To do so, it must be distinctive.
- ⑥ Distinctiveness requires that your trade-mark:
 - ⑥ Does not describe your wares and services
 - ⑥ Is not confusingly similar with your competitors trade-marks
- ⑥ Distinctive marks: KODAK, APPLE (for computers)



Descriptiveness

- ⑥ Trade-marks law generally prohibits obtaining rights to and registering trade-marks that describe the character or quality of the wares and services with which they are used
- ⑥ Reason: trade-mark owners should not monopolize words that describe wares or services
 - ⑥ E.g. “safe” cars, “fresh” bread
- ⑥ It is tempting to choose trade-marks that are somewhat descriptive
- ⑥ However, the more descriptive your trade-mark is, the less you will be able to claim rights to it and protect it
 - ⑥ E.g. “save on foods” for grocery stores



Confusion with other Trade-marks

- ⦿ Trade-marks law generally prohibits the use and registration of trade-marks that are confusingly similar with those of your competitor because:
 - ⦿ it creates confusion in the marketplace
 - ⦿ infringes the rights of others
- ⦿ It is tempting to choose marks that are somewhat confusing with established marks or that contain common elements
- ⦿ Even if you are able to register a trade-mark with common elements, your ability to protect it could be compromised



II. Searching and Clearance

- ⦿ Prior to choosing a trade-mark, search the trade-marks **register** and **marketplace** to ensure that no identical or confusingly similar marks are already used, registered or applied to be registered for the same wares or services
- ⦿ Best practice: come up with more than one potential trade-mark at the start of the searching process and rank according to preference



Types of Rights to Search For

- ⦿ There are two types of trade-mark rights:
 - ⦿ Statutory rights
 - ⦿ arise from registering or applying to register a trade-mark
 - ⦿ need to search the Canadian Intellectual Property Office Trade-marks Registry to find them
 - ⦿ Common law rights
 - ⦿ arise from use of a trade-mark in the marketplace
 - ⦿ need to search the marketplace to find them
 - ⦿ more limited than statutory rights



Search Tools

- ④ The main search tools are:
 - ④ Knock-out searches
 - ④ Full availability searches
 - ④ Investigations
 - ④ Legal opinions



Knock-out Searches

- ⑥ Knock-out searches are searches of registry databases
 - ⑥ CIPO, USPTO and other Trade-marks registry databases
 - ⑥ Pros
 - ⑥ Quick and inexpensive
 - ⑥ Cons
 - ⑥ Often only reveal trade-marks that contain identical elements
 - ⑥ Do not reveal trade-marks that are used, but have not been applied to be registered
- ⑥ Best used as a preliminary search

Knock-out Searches - Canada

The screenshot shows a Microsoft Internet Explorer browser window displaying the CIPO website. The address bar shows the URL: <http://strategis.ic.gc.ca/cipo/trademarks/search/tmSearch.do>. The page header includes the Canadian flag, the text "Canadian Intellectual Property Office" and "Office de la propriété intellectuelle du Canada", and the "Canada" logo. A navigation menu contains links for "Français", "Contact Us", "Help", "Search", and "Canada Site". Below this is a table with links: "Strategis", "Site Map", "What's New", "About Us", and "Registration". The main content area features the CIPO logo and a large green banner with the text "Canadian Intellectual Property Office". A sidebar on the left contains a list of links: "CIPO Home", "Patents Database", "Decisions of the Commissioner of Patents", "Trade-marks Main Page", "TRADE-MARKS DATABASE", "Help", "Disclaimer", and "Copyrights Database". The main content area is titled "Canadian Trade-marks Database" and includes a "Notices" section with the text: "The database was last updated on: 2005-09-20". Below this is a search instruction: "Enter words/numbers in the text box and select field from the drop down menu. There are five searches you can enter criteria for. Click here for [Help on Search](#), [Help on Fields](#), or [Help on Operators](#)". The search section is titled "Search 1" and contains a text input field labeled "Enter search text:", a dropdown menu labeled "Select search field:" with "TM Lookup" selected, and "Search" and "Reset" buttons. The Windows taskbar at the bottom shows the Start button, several application icons, and the system clock displaying "7:47 AM".

Knock-out Searches - US

Trademark Electronic Search System (TESS) - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address <http://tess2.uspto.gov/bin/gate.exe?f=search&state=vc0j1r.1.1> Go Links »

United States Patent and Trademark Office

Home | Site Index | Search | FAQ | Glossary | Guides | Contacts | eBusiness | eBiz alerts | News | Help

Trademarks > Trademark Electronic Search System (TESS)

TESS was last updated on Wed Apr 9 04:10:56 EDT 2008

TESS HOME | STRUCTURED | FREE FORM | BROWSE DICT | SEARCH OG | BOTTOM | HELP

WARNING: AFTER SEARCHING THE USPTO DATABASE, EVEN IF YOU THINK THE RESULTS ARE "O.K.," DO NOT ASSUME THAT YOUR MARK CAN BE REGISTERED AT THE USPTO. AFTER YOU FILE AN APPLICATION, THE USPTO MUST DO ITS OWN SEARCH AND OTHER REVIEW, AND MIGHT REFUSE TO REGISTER YOUR MARK.

View Search History:

Plural and Singular Singular

Live and Dead Live Dead

Search Term:

Field:

Result Must Contain:

Please logout when you are done to release system resources allocated for you.

This **New User (Basic)** search form allows for searching of the most commonly searched fields: word marks, serial or registration numbers, and owners.

The **Combined Word Mark** is the default search field and includes the **word mark** and **translation**.

Start | Fasken Martineau... | Inbox - Microso... | 7 Reminders | Microsoft Word | Microsoft Powe... | Trademark EL... | 2:17 PM



III. Assessing Risks

- ⑥ Most searches reveal some measure of risk in proceeding with a trade-mark
- ⑥ To assess risk, consider
 - ⑥ Degree of resemblance between the trade-marks
 - ⑥ Overlap in wares and services
 - ⑥ The nature of the trade for the wares or services
 - ⑥ How long and extensively the other party has used its trade-mark
 - ⑥ The resources and expected vigilance of the other party



Assessing Risks

- If you choose the wrong trade-mark, you risk:
 - Liability for infringing the rights of others
 - Inability to protect your trade-mark
 - Costly and inconvenient rebranding
 - Loss of goodwill



B. Registration

- ⦿ Registration is by country (except EU)
- ⦿ Canada:
 - ⦿ One and a half years average for registration
 - ⦿ \$2,500 (no objections, oppositions)
 - ⦿ 15 year renewable registration period
- ⦿ Prioritize countries by value of market and likelihood of sales



Rights arising from registration

- ◉ Exclusive use of trade-mark throughout Canada with the registered wares and services
- ◉ To prevent others from using an identical or confusingly similar mark in Canada with the same wares and services
- ◉ To prevent others from using the trade-mark in a manner that is likely to depreciate the goodwill attached to the trade-mark



Pitfalls

- ⦿ Trade-mark registrations can be challenged and expunged for non-use
- ⦿ Trade-mark rights can be lost if others use the trade-mark without a proper license
- ⦿ Trade-mark rights can be lost if the trade-mark becomes a product description (thermos)



C. Enforcement

- ④ Keep an eye out for possible infringement of your rights, by
 - ④ Monitoring your market and related markets for trade-marks that are similar to yours
 - ④ Monitoring trade-mark registries for attempts to register marks that are similar to yours
 - ④ You can order regional and global watch services to alert you of such attempts



Enforcement

- ④ Take action against infringements and potential infringements
 - ④ Cease and desist letters
 - ④ Litigation
 - ④ Opposition
- ④ Failure to act can weaken your trade-mark rights



Trade-marks Management

- ⑥ Pick the right trade-mark
 - ⑥ Consider more than one potential trade-mark
 - ⑥ Avoid trade-marks that are descriptive or similar to other trade-marks used in your industry
 - ⑥ Search the marketplace
 - ⑥ Assess risks before proceeding
- ⑥ Register trade-marks where you plan use
- ⑥ Use it or lose it
- ⑥ Keep an eye out for infringers
- ⑥ **Bonus tip: use fewer trade-marks**



Trade-mark Questions?



PATENTS

You Have an Idea – What Next?

- ④ Your business has an idea, i.e. “something” that makes your product or service better/cheaper/faster
- ④ Your goal – to prevent competitors from using that idea





The Problem

- ④ If you disclose your idea to the public, others can use it unless.....
- ④ You obtain a patent



Why a Patent?

- ⑥ Gives you the right to prevent others from making, using, selling the claimed invention
- ⑥ Lasts 20 years from filing date
- ⑥ In exchange – you have to disclose your idea
 - ⑥ Eventually it will become public domain



What You Don't Get With a Patent

- ⦿ What doesn't a patent grant?
 - ⦿ The right to make, use or sell the claimed invention.
 - ⦿ Government enforcement of patent rights (only through courts)



Steps in Obtaining Patent

- ⑥ Secrecy
- ⑥ Patentability
- ⑥ First Filing
- ⑥ Other (International) Filings
- ⑥ Exploiting your Patents



Secrecy Issues – KEEP THE SECRET!

- ⑥ Public disclosure of invention prior to filing may be used against the application
- ⑥ Use NDAs etc., prior to filing. After filing, can disclose contents of application
- ⑥ Canada and US give one year grace period - most countries don't



Considering a Patent

- ⦿ Not everything is patentable
- ⦿ Requirements for Invention to be Patentable
 - ⦿ Novelty - the invention is “new”
 - ⦿ Non-obvious – the invention not a minor tweak on what has been done before
 - ⦿ Utility – the invention does what it is described to do
 - ⦿ Subject Matter



Novelty

- ⑥ The invention must be “new”
- ⑥ Your own publications and prior patents can be used against you
- ⑥ Patent Searching – can save significant costs if you find out early that you can’t obtain a patent
 - ⑥ Places to search – USPTO, EPO, JPO
 - ⑥ Can search yourself online



Obviousness

- ⦿ Test: Invention can't have been obvious to a person “skilled in the art”
- ⦿ A bit of a “grey area” – the legal tests are largely judgment calls
- ⦿ Search can help make determination



Subject Matter

- ④ Traditional:
 - ④ Pharmaceuticals, Electronics, Chemicals
- ④ Less traditional:
 - ④ Games
 - ④ Software
 - ④ Business Methods – Bilski decision
- ④ You may be surprised what is patentable



The First Filing

- ② Preparing the Application
 - ② Work with your agent
 - ② Provide detailed description
 - ② Remember you know this area of technology better than they do
- ② If cost is an issue, consider a provisional application



Where to File?

- ⦿ Patents are territorial, i.e. a U.S. patent only covers activities in the U.S.
- ⦿ Problem: Filing in multiple jurisdictions gets very expensive (> \$100,000 very quickly), however your own applications and disclosure may be used against you if you wait
- ⦿ Solution: Take advantage of treaties.



Claiming Priority

- ⑥ International Treaties allow an applicant to file a first application, then file applications up to one year later and “backdate” the later filed applications
- ⑥ Can used to defer costs
- ⑥ First application may be a provisional
- ⑥ Allows you to make invention public after first filing



PCT Applications

- ⑥ Closest thing to “world patent” application (covers most major industrial countries)
- ⑥ Treated as a pending application in all selected member countries
- ⑥ Still requires entry into those countries within 2 ½ years – just defers cost



Provisional Applications

- ⦿ Only serve as an initial filing for the purposes of claiming priority – they will never become a patent
- ⦿ Can be less expensive than a regular application
- ⦿ Useful when invention is in development (can file multiple provisionals)
- ⦿ **BE CAREFUL** – need to ensure provisional contains enough to preserve priority claim



Common Strategy

- ⦿ Goal – Delay costs as much as possible while preserving rights
- ⦿ 1. File Provisional Application
- ⦿ 2. One year later, file PCT Application
- ⦿ 3. Two and a half years from provisional application, enter national phase in selected jurisdictions
- ⦿ **DISADVANTAGE** – Delays obtaining patents



Exploiting Your Patents

- ⑥ Are an asset – have value
- ⑥ Can be used to create monopoly
- ⑥ Licensing revenue (become a troll?)
- ⑥ Defensive portfolio
- ⑥ Patent role varies widely in different industries and positions of company



Patents as asset

- ⑥ Can be sold (as can pending applications)
- ⑥ Value varies – scope of claims, validity
- ⑥ Sometimes allows early stage company to be taken more seriously
- ⑥ Investors may insist on filings



Monopoly

- ⦿ Prevent competitors from participating (never license)
- ⦿ Requires willingness to litigate (which risks patents)
- ⦿ Used to protect “key product or feature”



Defensive portfolio

- ⑥ Hold large portfolio of patents
- ⑥ Don't litigate with patents unless defending self
- ⑥ Large budget for filing/prosecuting, less for litigation
- ⑥ Microsoft strategy



Licensing

- ⑥ “Toll collection”
- ⑥ Willing to license at reasonable rates (IBM)
- ⑥ Some companies do nothing else (often referred to as “trolls”)



Patent Problems

- ⑥ Cost – they are expensive to obtain, maintain and enforce
- ⑥ Publication – the subject matter becomes public
- ⑥ Limited duration – twenty years and then your idea becomes public domain
- ⑥ Other alternatives.....



Patent Questions?



Trade Secrets

- ④ Trade secrets:
 - ④ Information of commercial value that is not disclosed to the public
 - ④ The value has to be partially linked to the fact that it's not known
 - ④ Efforts have to be made to maintain secrecy



Examples of Secrets

- ④ Technology
- ④ Formulas, recipes
- ④ Client/Customer information
- ④ “Know how”

Reasonable Efforts to Maintain Secret

- ⑥ **CONTRACTS!** Everyone who knows secret should be under a contractual obligation to keep it secret
 - ⑥ Use Non-disclosure Agreements
- ⑥ **Other steps:**
 - ⑥ Mark documents as confidential
 - ⑥ Control access to documents
 - ⑥ Lock doors and cabinets

Advantages of Trade Secrets

- ⑥ Never expire – as long as the secret remains secret
- ⑥ No filings or government approval required
- ⑥ Can be very successful – Coke, KFC



Disadvantages of Trade Secrets

- ⦿ Not everything can be protected – e.g. technology can be reverse engineered
- ⦿ If the secret is exposed, then it's no longer a secret
- ⦿ Can be expensive to maintain, as it requires security, contracts, complicated processes



Trade Secret Questions?

**FASKEN
MARTINEAU**

