



# Managing Intellectual Property

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## ▼ Disclaimer

- *The information contained in this presentation is of a general nature. It is not legal advice and should not be construed as such.*

# ▼ IP Management Overview

- Four pillars of intellectual property
  - Copyrights
  - Trademarks
  - Trade secrets
  - Patents
- We will focus on
  - Identification
  - ownership
  - protection

# ▼ What is Intellectual Property?

- “intellectual”
  - represents intellectual efforts and achievements:
    - writing of software, books, screen plays
    - brands, logos, product or company names
    - business plans, formulae, recipes, business processes
    - inventions, such as new drugs, electronics goods, manufacturing processes

# ▼ What is Intellectual Property?

- “property”
  - usually has commercial value
  - gives a bundle of rights to the owner:
    - right to sell a product or service
    - right to prevent others from doing so
    - right to license others to use your rights

## ▼ Why IP Protection is Important

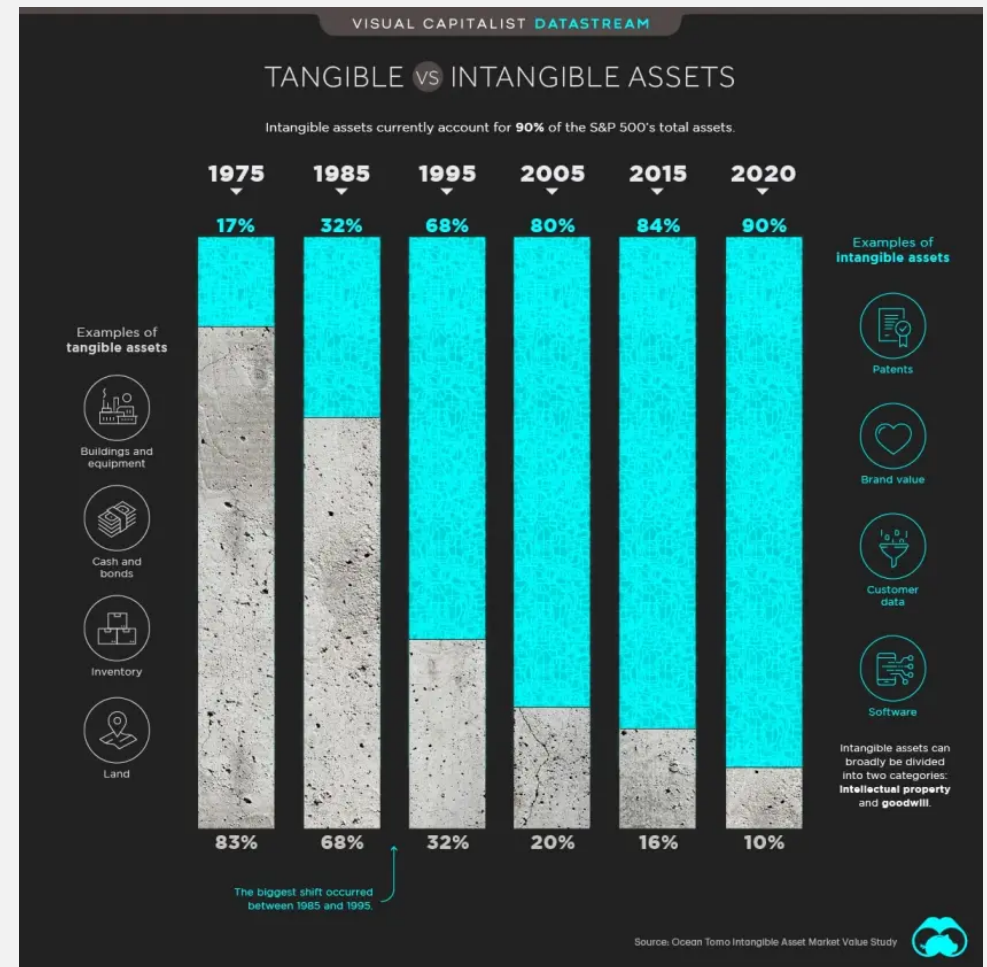
- IP is a valuable commercial asset – the most valuable asset for many companies
- Provides a competitive advantage (better products)
- Shields you from competition (OLED tv's)
- Investors, acquirors and customers care about IP (diligence)

- however -

- IP is vulnerable – <sup>FASKEN</sup>easy to copy, steal, counterfeit

# Intangible Assets

## - Relative Value



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# ▼ Intellectual Property

- What types of IP protect software?
- There are many ways IP can protect your goods and services



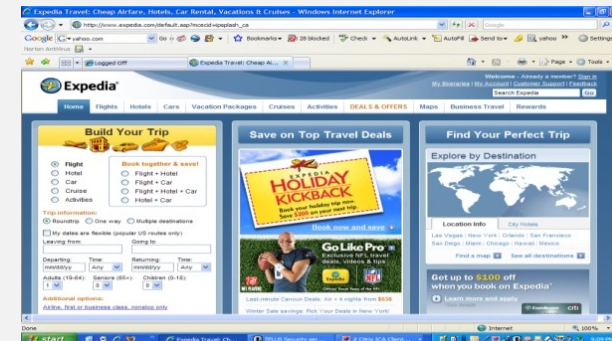


# ▼ Copyright

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

# Copyright

- “Work” includes articles, photographs, graphic designs, study protocols, data, computer programs, website designs



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# ▼ Requirements

- Originality: more than a copy of another work, reflecting the exercise of skill and judgment, but not necessarily creativity
- Fixation: must be expressed in some material form



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# ▼ Moral Rights

- Give the author of a work the right to prohibit modification of a work and to limit how it is used
- Can only belong to people
- Moral rights cannot be assigned, only waived

*“the employee shall and does hereby waive all of his or her moral rights in the Work Product”*



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# Copyright

## Ownership

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

# ▼ Copyright Protection

- Arises automatically
- © notices should be used
- Registration enhances rights
  - Simple and inexpensive to register
  - Some registrations occur before commencing litigation

# ▼ Copyright Management

- Focus on ownership and rights
- How are works developed?
- What do your contracts say about copyright?
- Magic sentence:

“Contractor shall and does hereby assign to Customer all rights, title and interest in and to the Deliverables and shall ensure that each author of the Deliverables waives all of his or her moral rights in and to the Deliverables.”

# ▼ Copyright questions?

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# Trademarks

- Trademarks are used to indicate the origin of goods and services
- They can be:
  - Words
  - Designs
  - The shape of goods or their packaging
  - Combinations of colours
  - Sounds, scents



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# Trademarks

- Why are trademarks important
  - The goodwill associated with products and companies reside in their respective trademarks
  - Consumers make decisions based on trademarks

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# Trademarks

Interbrand's most valuable brands (2020):



\$322B



\$57B



\$200B



\$52B



\$166B



\$49B



\$165B



\$43B



\$62B



\$41B

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# Requirements

- Distinctiveness
- Use
  - Goods: “use” means use on the goods, packaging or otherwise associated with the goods, such that notice of the association is given
  - Services: “use” means use or display in the performance or advertising of those services



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# Ownership

- Owned by first person who:
  - Uses the trademark, or
  - Registers the trademark

# ▼ Trademarks management

- A. Picking a good trademark
  - I. Distinctiveness
  - II. Searching and Clearance
- B. Registration
- C. Enforcement

## ▼ A. Picking a good trademark

### I. Distinctiveness

- The key to choosing an effective trademark
- The purpose is to distinguish your goods and services from competitors.
- Distinctiveness requires that your trademark:
  1. Does not describe your goods and services
  2. Is not confusingly similar to your competitors trademarks
- Distinctive marks: GOOGLE, APPLE (for computers)

# ▼ Trademarks

## Descriptiveness

- trademarks law generally prohibits obtaining rights to and registering trademarks that describe the character or quality of the goods and services with which they are used
- Reason: trademark owners should not monopolize words that describe goods or services
  - E.g. “safe” cars, “fresh” bread
- It is tempting to choose trademarks that are somewhat descriptive
- However, the more descriptive your trademark is, the less you will be able to claim rights to it and protect it

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# ▼ Trademarks

## Confusion

- You are not allowed to use and register trademarks that are confusingly similar with those of your competitors because:
  - it creates confusion in the marketplace
  - It infringes the rights of others
- It is tempting to choose marks that are somewhat confusing with established marks or that contain common elements

# ▼ Trademarks



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## ▼ Foreign markets? Consider connotation...

Nike – 1997

Air Flame Logo = Allah?



Nike – Deja Vu – Jan. 2019

Air Max 270 Logo = Allah?



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# ▼ Trademarks

## II. Searching and Clearance

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

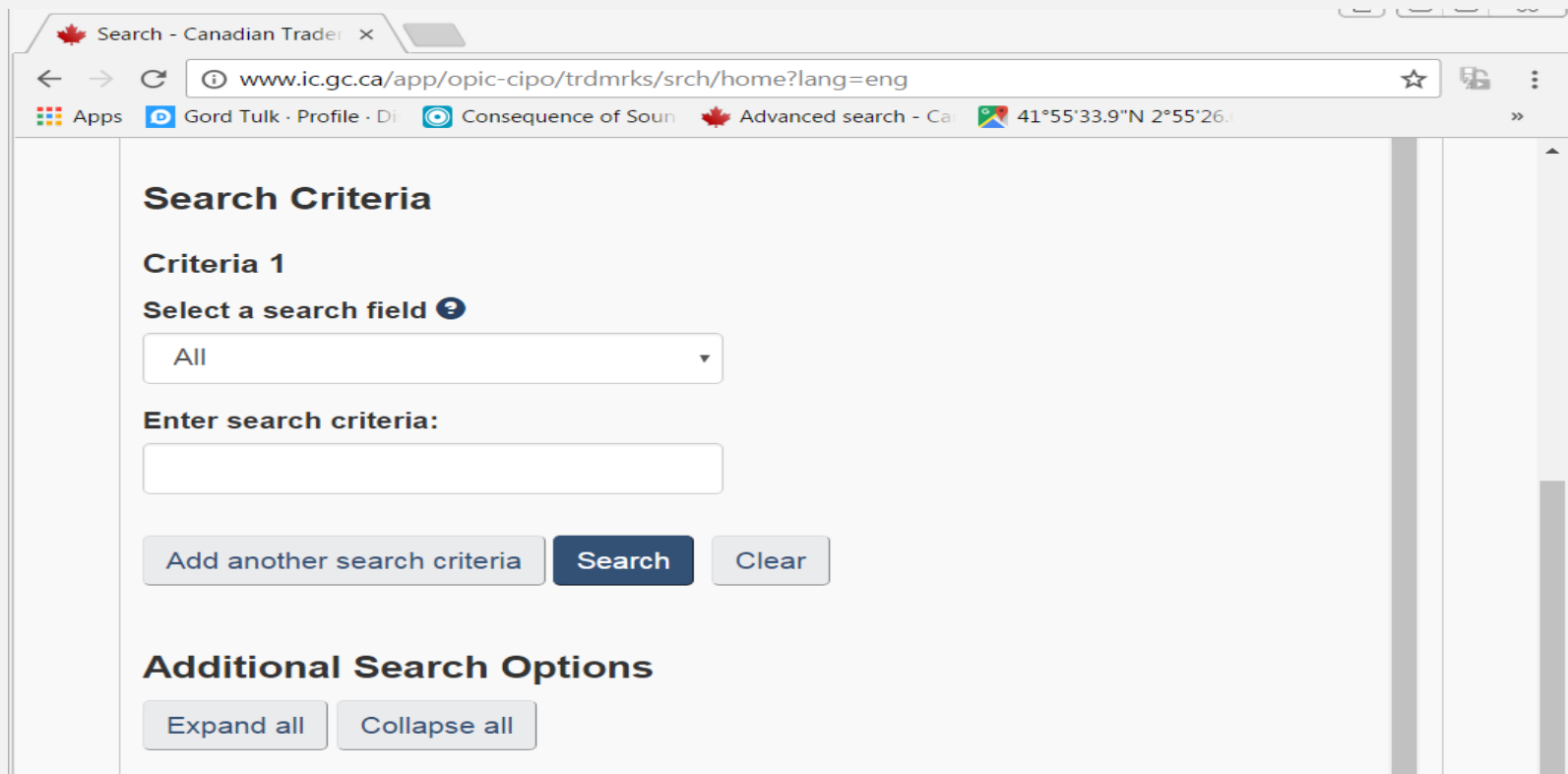
# ▼ Trademarks

- Two types of trademark rights to search for:
  - Statutory rights
    - arise from registering or applying to register a trade-mark
    - need to search the CIPO Trademarks Registry to find them
  - Common law rights
    - arise from use of a trademark in the marketplace
    - need to search the marketplace to find them
    - more limited than statutory rights

# ▼ Trademarks

- Trademark search tools
- The main search tools are:
  - Knock-out searches
  - Full availability searches
  - Investigations

# ▼ Knock-out Searches - Canada




The screenshot shows a web browser window with the URL [www.ic.gc.ca/app/opic-cipo/trdmrks/srch/home?lang=eng](http://www.ic.gc.ca/app/opic-cipo/trdmrks/srch/home?lang=eng). The page is titled "Search - Canadian Trademark" and contains the following elements:

- Search Criteria**
  - Criteria 1**
    - Select a search field** (with a help icon): A dropdown menu currently set to "All".
    - Enter search criteria:** A text input field.
    - Buttons: "Add another search criteria", "Search", and "Clear".
- Additional Search Options**
  - Buttons: "Expand all" and "Collapse all".

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# Knock-out Searches - US

**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 Mon Apr 30 05:21:01 EDT 2018

[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.*

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# ▼ Trademarks

## B. Registration

- Registration is by country (except EU)
- Canada:
  - Three years average for registration
  - \$2,200 (no objections, oppositions)
  - 10 year renewable registration period
- **Tip: prioritize countries by value of market and likelihood of sales**

# ▼ Trademarks

## C. Enforcement

- Watch out for infringement of your rights
- Take action against infringements and potential infringements
  - Cease and desist letters
  - Litigation
  - Opposition
- Failure to act can weaken your trademark rights

# ▼ Trademark Management

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

# ▼ Trademarks questions?

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# ▼ What is a Trade Secret?



1. The information that is not generally known
2. Has commercial value because it is secret
3. Reasonable efforts taken to maintain secrecy

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# ▼ Examples of Trade Secrets

- Formulas, know-how
- Business plans & strategies
- New product names
- Marketing plans, unpublished promotional material
- Cost & pricing information
- Financial projections and sales data
- Customer lists
- Info re: new business opportunities

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# ▼ Advantages of Trade Secrets

- Never expire – as long as it remains secret
- No filings or government approval required
- Can be very successful



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## ▼ Disadvantages of Trade Secrets

- Once trade secret is no longer secret, it is gone
- Cannot prevent independent creation or reverse engineering (subject to contractual provisions)
- TS protection may not be feasible



## ▼ Who Owns a Trade Secret?

- Certain technological solution / know-how
  - developed by employee
  - developed by external contractor
- To avoid disputes: obtain written agreement assigning any trade secret rights to company

## ▼ Reasonable Efforts

- Most TS regimes require you to have taken reasonable precautions to keep the information confidential
- “Reasonable” → case by case
  - reasonable security procedures
  - non-disclosure agreements (NDA)
  - such that the information could be obtained by others only through improper means
- Importance of proper TS management program



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# ▼ How to Protect Trade Secrets?

1. Identify Trade Secrets
2. Develop TS Policies
3. Mark Documents
4. Restrict Access – need to know



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# ▼ How to Protect Trade Secrets?

## 5. Maintain Computer Secrecy

- Secure online transactions, intranet, website
- Password; access control
- Digitally mark info as confidential/secret
- No external drives and USB ports
- Monitor remote access to servers
- Firewalls; anti-virus software; encryption

## ▼ External Threats

- Reverse engineering, independent discovery
- Improper licensing
- Network attacks (hacking)
- Burglaries by professional criminals targeting specific technology
- Mobile device/laptop theft
- Inducing employees to reveal TS

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**80% of trade secret loss**  
**< employees, contractors, trusted insiders!**

- departing or disgruntled employees
- intentional (malicious)
- inevitable (knowledge acquired)
- by ignorance

## ▼ Enforcement of Trade Secret

- Can sue for theft of a Trade Secret (where someone has improperly acquired, disclosed or used the information)

# ▼ Trade Secret Questions?

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## ▼ You Have an Invention – What Next?

- Innovation that makes your product or service better/cheaper/faster
- Goal: to prevent competitors from using that “technology”



## ▼ The Problem

- If you disclose your invention to the public, others can use it...
- ...unless you take steps to protect it

## ▼ Why Patent?

- Gives you the right to prevent others from making, using, selling the claimed invention
- Lasts up to 20 years from filing date
- In exchange – you have to fully disclose your invention

# What is a Patent?

- A document that describes an invention and how to put it into practice. Includes:
  - Abstract
  - Background
  - Summary of invention
  - Drawings
  - Detailed description
  - **Claims** - define scope of protection



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## ▼ What You Don't Get With a Patent

- Government enforcement of patent rights (only through courts)
- You must be your own “patent police”
- Freedom-to-operate

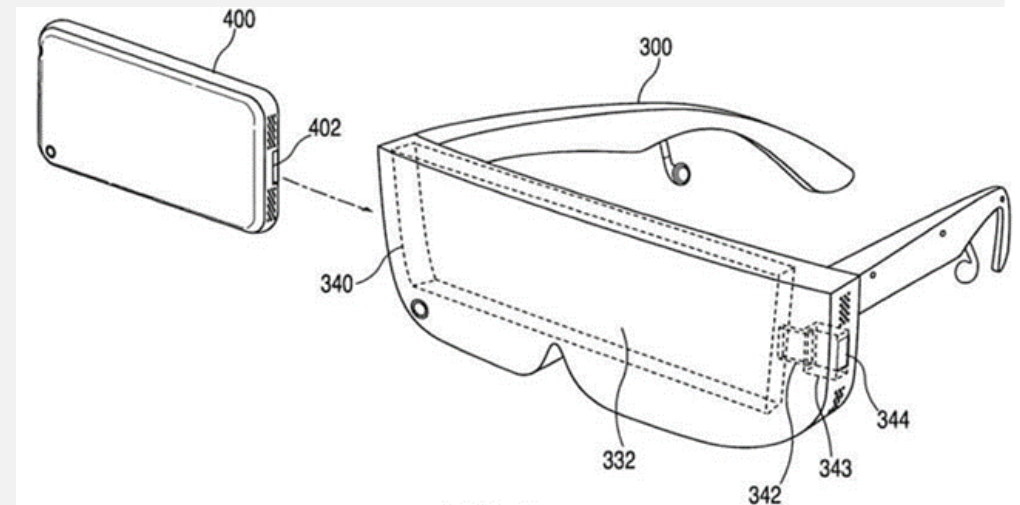
## ▼ Ownership

Individual inventor is presumed to be the owner of an invention unless:

- (1) Express agreement to the contrary;
- (2) He was employed for the purpose of inventing under a contract of service; or
- (3) Nature of employment relationship indicates that employer was to own the invention.

# ▼ Steps in Obtaining a Patent

- Innovation
- Secrecy
- Assess Patentability
- Apply for a Patent
- Patent Grant - Exploit Patent Rights



## ▼ Secrecy

- A patent application must be filed before any public disclosure of an invention
- Canada and US have a one-year grace period - many countries don't
- Use NDAs etc., prior to filing



# ▼ Requirements for Patentability

- **Novelty** - the invention is “new”
- **Non-obvious** – the invention not a minor tweak of what is already known
- **Utility** – the invention has a useful function
- **Subject Matter**

## ▼ Subject Matter

- *Art, Process, Machine, Manufacture or Composition of Matter*
- E.g.
  - Mechanical device/apparatus
  - Pharmaceutical
  - Electronic hardware
  - Industrial/manufacturing process
  - Chemical compound or process
  - Computer-implemented inventions / software

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# ▼ What Cannot Be Patented?

- Abstract ideas
- Scientific principles
- Products of nature
- Pure mathematic algorithms
- Mental processes

# ▼ The Patenting Process

- Prepare/File a Patent Application



- Examination

- Search

- Examiner's report



- Prosecution (responses / amendments)



- Granted Patent

# ▼ The First Filing

- Preparing the Application
  - Work with your agent
  - Provide detailed description
  - You probably know the area of technology better than they do
- Can make invention public after first filing
- “Patent pending” FASKEN

## ▼ Where to File?

- Patents are territorial
- Problem: Filing in multiple countries can get complicated and expensive
- Solution: Take advantage of patent treaties

## ▼ Convention Priority

- Any subsequent application can “piggy-back” off a first application, if filed within 1 year
- Can defer costs
- First application may be US provisional

## ▼ US Provisional Application

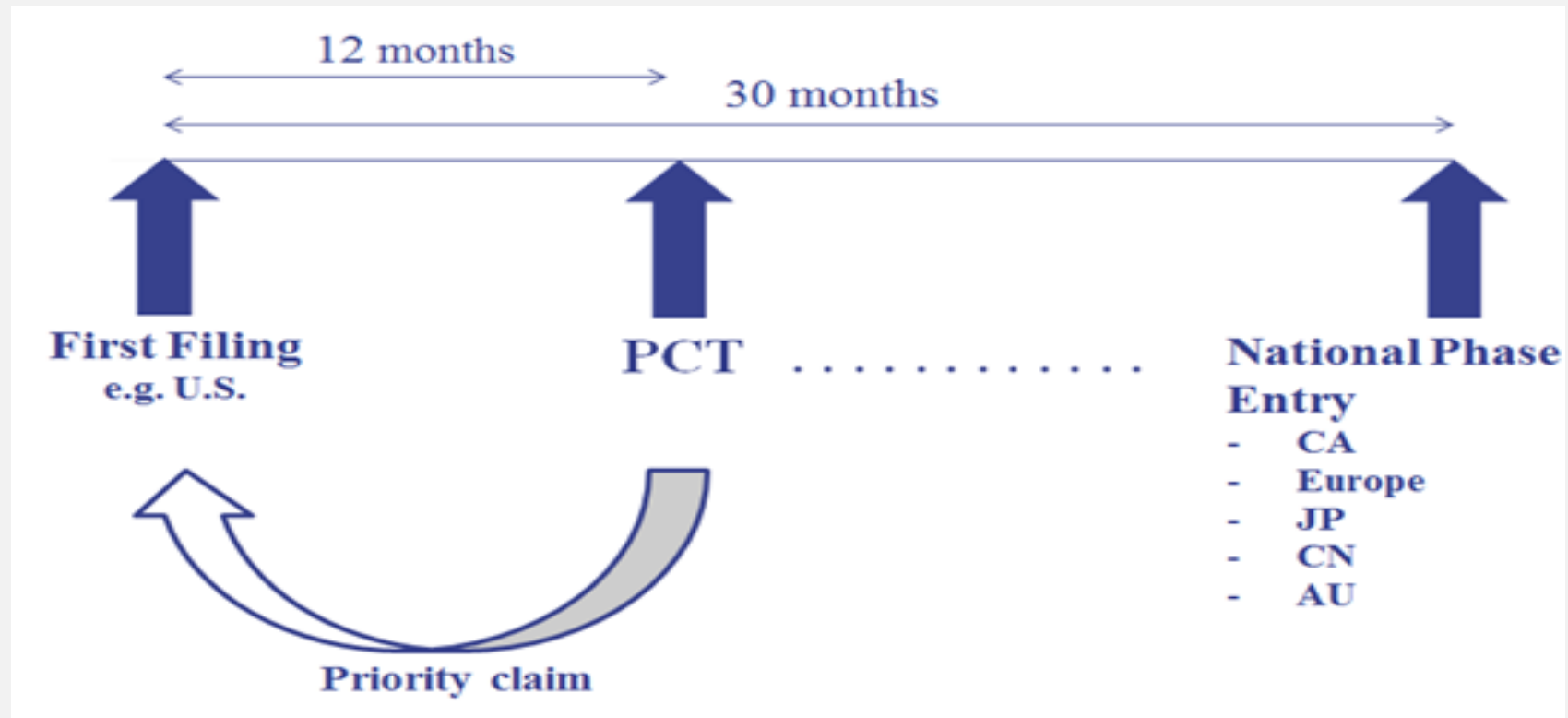
- Can be less expensive than a regular application
- Serves as initial filing for the purposes of claiming priority
- Useful when invention is in development
- Never becomes a patent
- Need to ensure provisional adequately supports priority claim



## ▼ International PCT Application

- Single international application (covers most major industrialized countries)
- Never becomes a patent itself
- Reserves right to file application in a member country within 2½ years of first filing
- Defers cost

## Common Filing Strategy



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# ▼ Patent Questions?

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## ▼ Top 10 Takeaways

1. IP assets are key business assets – keep them in good order.
2. IP Ownership is critical
  - Make sure you own it and can prove it
3. Do not disclose invention w/o protections in place
4. Utilise patent treaties to defer filing costs

## ▼ Top 10 Takeaways...

5. U.S. provisional patents – use carefully
6. Trade secrets depend on confidentiality
  - Identify them, protect with agreements and continually monitor
- Pick trademarks that are not descriptive or confusing with others in the same field

## ▼ Top 10 Takeaways...

8. Copyright works – moral rights cannot be assigned, can only be waived.
9. IP rights have to be “policed” and enforced
10. Conduct IP due diligence before any IP transaction or IP litigation.



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