

# BIS EXHIBITION

## Key Intellectual Property Issues

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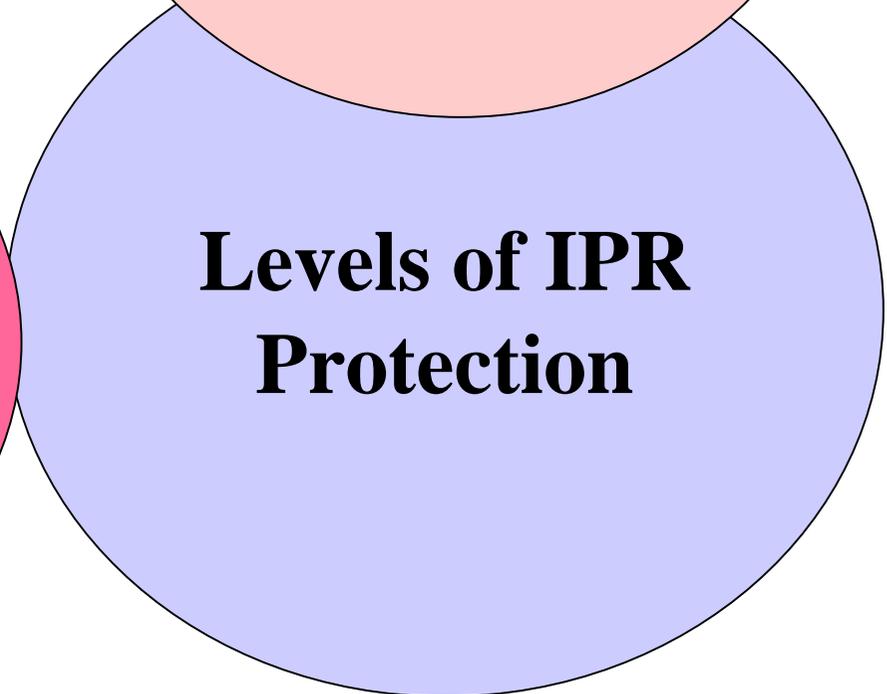
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# WHY IPR PROTECTION?

Start-ups

Attract **funding** easier if :  
IPR protection adequate;  
Safeguarding your assets;  
Brand maintenance and  
reputation.

Investors

Companies must be seen to  
be **mitigating the risk** of  
failure !!!

# IPR from the Investor's Viewpoint

- **Barriers to entry**
- **Market share**
- **Increase in 'switching costs'**
- **Mitigating risk for the funds invested**
- **Adequate intellectual property protection**

# CASE HISTORY

Andrew has developed a novelty lamp. He is certain that no one else has created a similar lamp in the UK. He has not carried out any searches. He has called the lamp “So-Special”. He was approached by a company in the USA to manufacture and distribute the lamp. He has signed a non-disclosure agreement but negotiations are not going well. He is concerned because the company is claiming that the NDA is invalid.

## WHAT ARE THE ISSUES?

- Design registered?
- Lamp patentable?
- Trade mark registration?
- Creating a Prototype?
- What are the risks?

# Options - Technology

- ✧ License
  - ✧ Assignment
  - ✧ Mortgage
  - ✧ Set up company - manufacture

Alliance - JV, collaboration,  
partnering

# OVERVIEW OF IPRs

[www.patent.gov.uk](http://www.patent.gov.uk)

## REGISTERED RIGHTS

- ❖ **Patents** - inventions
- ❖ **Trade marks** - badge of business, logos, names, smells, sound
- ❖ **Registered designs** - appearance of whole or part of a product resulting from the **features** of the lines, contour, shape, material, texture of the product

## UNREGISTERED RIGHTS

- ❖ **Know-how** - trade secrets
- ❖ **Copyright** - literary, including digital work, research notes, software
- ❖ **Design rights** - product shape and configuration
- ❖ **Database rights**
- ❖ **Brands** - goodwill and reputation

## QUASI-REGISTERED RIGHTS

# IPR: Copyright

→ Ownership

→ Duration

→ Originality

→ Copyright Infringement

# IPR: Copyright

## Copyright Designs and Patent Act 1988 as amended

- **Bundles of rights** - to reproduce, rent, broadcast or to stop parties exploiting work
- **Literary work**- books, articles, drawings, digital works, computer program
- **Musical work** – music
- **Artistic work** – sculpture, photograph
- **Computer generated** – computer program
- **No system of registration**- protected as soon as created and recorded

# IPR: Copyright

## Copyright and Regulated Rights Regulations 2003

- **New copyright** -copyright works communicated to the public by electronic transmission or broadcasting
- A copyright owner can stop a substantial part of his work being communicated to the public by electronic transmission, distribution or broadcast without a licence or consent. This includes digital copying and contents of books, articles or graphics made available on websites.

# IPR: Copyright

→ Not a monopoly right

→ **Authorship and Ownership** *Cyprotex Discovery v University of Sheffield* [2003]

- **Author** - first owner of any copyright subsisting in a work
  - **Author** - creator of the work is generally the author
  - **Author** - individual, company or other incorporated body
  - **Employer First Owner of copyright** - for literary or artistic works created by an employee in the course of employment
  - **Computer Generated Works** – author is the person by whom the arrangements necessary for the making of the computer generated work (films and sound recordings)
- Joint author** – work produced by the collaboration of two or more authors in which the contribution of each author is distinct from the other authors

# IPR: Copyright

## → Fixation

➤ **Recorded in Writing** - for copyright to subsist in literary, dramatic or musical works they have to be recorded in writing

➤ **Writing** - “Any form of notation or code, whether by hand or otherwise and regardless of the method by which or medium in or on which it is recorded ...”

➤ E.g storing in a ROM, disk, other computer memory or machine readable medium

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➤ **Conventions** – reciprocal protection of works in convention countries

➤ **Berne Convention** – no formalities required

➤ **Universal Copyright Convention** – copyright notice

© [Name of Copyright Proprietor] [Year of Creation]

# IPR: Copyright

→ **Originality** – *Ladbroke (Football) Ltd v William Hill (Football) Ltd [1964]* originality defined “...the product must originate from the author in the sense that it is the result of a substantial degree of skill, industry, or experience employed by him.” In this case it was held that copyright subsisted in the football coupons.

→ **Test** – degree of skill and labour and judgement expended by the author or creator

→ **Duration** – life of the author plus 70 years

# IPR: Copyright

## → Copyright Infringement – under the CDPA

- right to stop a third party exploiting copyright work without permission – copying, issuing copies of the work to the public
- Not infringement of earlier work – Identical work created independently

# IPR: Computer Programs

## → Copyright Infringement of Computer program-reproduction in any form (require authorisation)

➤ right to stop a third party exploiting copyright work without permission – copying, issuing copies of the work to the public

➤ Temporary or permanent reproduction by any means and in any form – loading, displaying, trans<sup>(RTC)</sup> storage

➤ Translation, adaptation or alteration

➤ Distribution – in any form including rental

# IPR: Computer Programs

## → Copyright Infringement of Computer program

### ➤ Exception

- ❖ if no contract no permission required to use the program for its intended use
- ❖ to make a back up copy (security)
- ❖ For observation and study
- ❖ Decompilation – conditions attached

# IPR: SOFTWARE

## Software Directive

→ **Copyright protection of Computer programs**

→ **Originality** – amount of skill and labour expended

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→ **Ownership** – author of a computer program is the person who created it except if created during the course of employment

→ **Fixation** – expressed in any form of notation

# IPR: Registered Designs

→ **Design** – appearance of whole or part of a product resulting from the **features** of the lines, contour, shape, material, texture of the product

→ **Product** – any industrial or handicraft items including packages, graphic symbols and parts

→ **How to obtain a registered design?**

# IPR: Database rights

- **Database** – comprises any organised collection of data
- **Protection**- only applies to their selection and arrangements. *British Horse racing Board v William Hill Organisation* – ECJ to determine whether a database is protected by copyright law or database rights or both
- **Ownership** – person who creates it
- **Ownership of copyright in constituent items of the data**
- **Term** – 15 years
- **Infringement** – extracting or reutilising substantial part of the database

# IPR: Registered Designs

→ **Right to use the design** – making, importing, selling, stop unauthorised use

→ **Ownership**

**Is the design original** – New? Individual character?  
Grace Period for 12 months

→ **Searches**

→ **Design Infringement** – unauthorised commercial use

# PATENTS

- Ownership
  - Validity
  - Duration
    - Patent Searches
    - Risk of Patent Infringement
    - Patent Filing Strategy

# Test for Patentability

## A patentable invention

- ✦ it must be **novel**;
- ✦ it must involve an **inventive step**;
- ✦ it must be **capable of industrial application**; and
- ✦ it cannot fall within an **excluded category**, i.e. discovery, literary work, mathematical model

## For an invention to be novel

- ✦ the invention must **not** form part of the **“state of the art”** ie. all matters, including any product, process, information in any form which could be oral, written or by use or in any way whatsoever which was **“made available to the public”** anywhere in the world before the priority date

## Inventive step

- ✦ must not be an obvious invention so that **a person skilled in the art** (eg. a skilled scientist) would have found it an obvious invention to make at the priority date

Capable of Industrial Application -covers all industries

# Disclosure

## General Rule:

**Patents** - Invention **disclosed before filing** patent application – **loss of patentability**  
e.g. publication of an invention in a journal

**Know-how** - **unauthorised disclosure** can **destroy know-how** e.g. an employee passing on details

# Disclosure: What disclosure can destroy novelty?

Destruction of novelty means the invention is not patentable i.e. the invention is not novel. (*Note:* Not every disclosure is novelty destroying)

✦ disclosure at an international *conference* ?

- YES

✦ publication of a patent application in the UK? -

YES

(If in USA “first to invent” - 12 months from filing date)

✦ disclosure under an obligation of confidence? - NO

# Test for Patentability: Novelty

## RECAP:

- ✦ To be **patentable**, an invention must be *novel*;
- ✦ Must **not** form part of the “**prior art**” - means any product, process, information located in whatever form (oral, written, in use) anywhere in the world which is “made available to the public”;
- ✦ “**Made available to the public**” - means published or capable of inspection in the UK or any member of the public is free to use without breaching confidence or the public is given enough information to perform the invention

**Note: Disclosure of a patentable invention can destroy novelty.**

# IPR: Trade Marks

→ Clearance Searches

→ Conflicting Marks

(Trade Mark Infringement/Passing-off)

→ Registrability

→ Filing Strategy

→ Brand Reputation/Protection

# Know-how

→ Ownership

→ Disclosure

→ Confidentiality Agreements

# Confidentiality

## The information must be:

- ✦ confidential in nature - i.e. it must have the necessary quality of confidence;
- ✦ disclosure must be made in circumstances imparting an obligation of confidence

## Crucial to enter into a confidentiality agreement:

- ✦ specify what information to be kept confidential;
- ✦ how long for?
- ✦ the limits on use and disclosure of confidential information

# Confidentiality

## Why is confidentiality important?

- ✦ protects material **not capable** of IP protection, e.g. patenting of business methods in the UK;
- ✦ protects an invention before filing a patent or a design application;
- ✦ protects confidential information disclosed during negotiations, e.g. secret processes or other know-how.

## What types of information can be protected?

- ✦ know-how (commercial information); formulae; recipes; processes; improvements to products or processes,

# Breach

## Breach of confidence

- ✦ Receiving party discloses or uses confidential information for other purpose than agreed;

- ✦ Obtain an injunction (Interlocutory Injunction)

Note: there can be no delay in obtaining an interlocutory injunction

**Remedies:** damages, account of profit, delivery up or destruction

# Why Specialist Insurance Policies?

- IP important assets
- Financial Muscle
- Protection and enforcement of IPRs
- High costs of IP litigation
- Increase in IP and domain name disputes
- Protects a company's balance sheets

# Specialist IPR Insurance

## Specialist types of legal expenses insurance for safeguarding and defending against:

- Infringement of IPRs; or
- Actual or alleged breach of contract; or
- Defending a challenge to the validity of the insured's IPRs e.g. the validity of a patent.

**Premiums vary widely** - policy limit.

Some insurers may only insure companies with established businesses and may require an **IP Audit** to obtain an independent opinion on the validity and scope of the IPRs and the value of the market covered by IPRs.

# IP Audit

## IP Audit

- Scope of Company's risk
- Can it be controlled?
- In-house risk management measures?
- Extent of insurance coverage
- Independent opinion on validity, scope of IP and value of the market covered by IP
- Damages which may arise from the infringement

## Risk Management - checklist

- ❖ Due diligence
- ❖ Ownership of all IPRs?
- ❖ Copyright notices on all original works?  
[Name] [Year of Creation]
- ❖ Trade mark symbols: ® or ™
- ❖ Registration of IPRs?
- ❖ Consents & authorisation obtained for  
hypertext links on website

# Risk Management -checklist

- ✧ Advertising complies with relevant laws?
- ✧ Signed confidentiality agreements
- ✧ Confidential documents marked “strictly confidential”
- ✧ Security (Firewalls & Virus Protection)
- ✧ Segregation of servers
- ✧ Specialist IPR Insurance-Audit & Valuation

# Conclusion

✧ **Beware!** A company may not be able to obtain patent protection for its invention but it may still be a very valuable asset commercially.

✧ Know-how may be the best means of protecting a technology invention.

*THANK YOU - [Dr Rosanna Cooper](#)*

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