

Frequently Asked Questions Intellectual Property

■ Are intellectual property assets?

Without a doubt, intellectual property (IP) is one of the most important assets that a company will own. IP can be licensed, bought, sold, hired or mortgaged like any other form of property. One of the main sources of IP is from the results of research and development work. In order for companies and individuals to maintain the value of their IP, they must ensure a sufficient level of protection and safeguard against infringing a third party's IP.

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■ What are intellectual property rights (IPRs)?

Intellectual property right is the right to use intellectual property. IPRs fall within two main categories, registered and unregistered rights. Patents, trade marks and registered designs are registrable rights. Unregistered IPRs include copyright, designs, brands and know-how. Domain names can be classed as quasi-registered rights.

■ How to obtain a UK patent?

Patents protect inventions such as processes and products. Patents in the UK are obtained by filing an application with the UK Patent Office. On examination of the application, the Patent Office determines whether a patent should be granted. The application goes through various stages and can take up to four years before it is granted, although under the UK system, the process can be expedited.

■ Should patent searches be carried out?

It is always worthwhile to carry out relevant patent searches to establish the risk of infringement.

■ What is the test for patentability?

To be patentable, an invention must satisfy each of the following conditions:

- It must be novel (i.e. not made or used anywhere in the world before the filing of the patent application);
- It must involve an inventive step (i.e. it cannot be an obvious step);
- It must be capable of industrial application(all industries apply); and
- It cannot fall within an excluded category i.e. a discovery, a literary work or mathematical model.

■ **What is the priority date?**

On the filing of a patent application, the owner of the invention has 12 months from the filing or priority date in which to file foreign patent applications.

■ **How long does a patent last for?**

It is good practice to decide, as early as possible, on an international patent filing strategy. An investor should be made aware of the significant costs involved in obtaining international patents.

It should be noted that the inventor may not necessarily be the owner of the invention as an employer will own any invention made during the course of employment. A registered patent protects inventions by giving the owner of the invention a 20 year monopoly right of exploitation.

■ **Are patent rights territorial?**

Patent protection applies only in the country in which the patent is granted. It gives a patent owner the right to bring an injunction to stop a third party infringing an invention protected by a patent i.e. a third party cannot use, sell, hire or import the patented products or processes without the authorisation of the owner

■ **What are the remedies for patent infringement?**

The remedies available are damages (compensation for any loss suffered) or a percentage of profit made by a third party. The claimant can also obtain an order from the courts to have the infringing products destroyed.

■ **When can an invention be disclosed?**

Disclosure is only relevant to patents, registered designs and know-how. If an invention is disclosed in any form (which could be oral, written or by use), the invention loses its novelty and the proprietor of the invention loses the right to obtain a patent for that invention. The following disclosures, before the priority date, can lead to an invention losing its novelty:

If the invention is published (even in an obscure journal);
If an invention is published on the Internet;
If the invention is disclosed at an international conference;
Publication of a patent application by the UK Patent Office;

- Use of the invention by a member of the public (without breaching confidentiality);
- The public is given sufficient information in the patent application to perform the invention; or
- The oral disclosure of an invention.

■ **Can you patent a business method?**

In the USA, patents for computer implemented business methods are available but not in the UK. If a company has a novel business method it should consider making an application for a US patent. There are certain formalities, however, which will have to be adhered to.

■ **What are design rights?**

Design rights are of two types, registered and unregistered. Unregistered design right affords protection to functional as opposed to purely aesthetic designs.

■ **What are unregistered design rights?**

Design right arises automatically by the operation of law and protects new original, non-commonplace designs of the shape or configuration of articles. Design right is not a monopoly right but a right to prevent copying.

■ **How long does an unregistered design right last for?**

It lasts until 10 years after first marketing articles made to the design, subject to an overall limit of 15 years from creation of the design. Certain exceptions apply to design right.

In general, design right protects designs created by nationals, residents or companies of the European Community. The design right owner has the right to take civil action in the courts and the remedies available are the same as above.

■ **What are registered design rights?**

A registered design is a monopoly right for the appearance of the

whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture, materials of the product or its ornamentation. For a design to be afforded protection, it must be **new** and have **an individual character**. A design is new if no identical design or the designs whose features differ in immaterial details have been disclosed to the public anywhere in the world (the prior art), before the date of filing the application or the date from which priority is claimed.

■ **What is the grace period?**

However, if a **designer** himself, at least 12 months before filing an application (or claiming priority) markets, promotes or exhibits his designs to gauge levels of interests this would not amount to disclosure.

■ **What is the test for a registered design?**

To meet the requirements of individual character the design must produce on the informed user, a different overall impression from prior designs. This may be a retail customer. The degree of freedom of a designer in creating a design is taken into account in determining whether a design has individual character. Where minor differences separate the design from the prior art then the scope of protection is limited, the public should be able to ascertain that a design is different from others that already exist.

■ **How long does a registered design last for?**

Registration of a design would last initially for 5 years, and extendible by 5 years, up to a maximum of 25 years.

■ **How do I obtain a UK registered design?**

To obtain a UK registered design you can apply to the Patent Office on the prescribed form. You can obtain further information on obtaining a [community registered design](#) by clicking on this link.

■ **What should be taken into account in my business plan regarding filing of a registered design?**

Investors usually require a start-up business or inventor to have a design filing strategy in place as the filing costs should be taken into account when preparing a business plan.

■ **What are trade marks?**

Trade marks are the badge of a business and protect any mark capable of graphical representation, which distinguishes the goods and services of a company from² those of another. Trade marks

include names, signatures, smells, shapes and logos. When choosing a new trade mark, it is advisable that a company carries out the requisite trade mark searches in the UK and in all other key markets, in order to minimise the risk of infringing a third party's trade mark.

■ **Should a trade mark search be carried out?**

Searches are therefore imperative, although the costs of trade mark searches can be significant.

■ **How long does a trade mark registration last?**

Trade mark protection lasts for ten years and the registration is renewable every ten years thereafter. The registered mark must be used, preferably in the form in which it is registered, in order to avoid the risk of a cancellation action.

■ **Why is the priority date important?**

A company has six months from the date of filing a trade mark application (the priority date) in which to make foreign applications, otherwise the company will not retain the filing date.

■ **Is a filing strategy required?**

Investors usually ensure that a company has adequate trade mark filing strategy in place for achieving international trade mark protection. There are a number of trade mark systems available to achieve International trade mark registration including the Madrid Protocol.

■ **What can be done if a third party infringes our trade mark?**

A company can only bring an infringement action when the trade mark is registered. The remedies available are the same as for patents. However, a company can also obtain damages for past infringement, which occurred before registration.

■ **What is copyright?**

Copyright protection in the UK arises automatically by an operation of law.

■ **Can a copyright work be registered in the UK?**

There is no system of registration. However, copyright registration can be obtained in the USA for certain copyright works.

■ **What types of works are protected by copyright?**

Copyright protection can be afforded to various aspects of work such as literary, dramatic, artistic works, including, research notes, books, recipes, computer programs, typographical arrangements of published works including articles or lecture notes.

■ **What is the test for copyright protection?**

For copyright to subsist in a work there has to be some element of originality and the test is the degree of skill, labour and judgement expended by the author in the creation of the work.

■ **Who owns the copyright?**

The author of the work owns copyright, unless the work was created during the course of employment, in which case, the copyright belongs to the employer.

■ **How long does copyright last for?**

Copyright lasts for the life of the author plus 70 years.

■ **What are good housekeeping rules regarding copyright protection?**

A company should, as part of its good housekeeping rules, place copyright notices on all original, texts, scripts, sketches and diagrams and other copyright work. For e-businesses, a copyright notice should also be placed on a website.

■ **What amounts to copyright infringement?**

If a third party infringes copyright material, whether it is the copying of text from a website or a published article, the owner of the copyright has the right to bring an infringement action to stop the copying of such material. The remedies are the same as described above.

■ **What are brands?**

Goodwill and reputation protect the brand of a business.

■ **Can a company sue for infringement of a brand by a third party?**

A company can bring an injunction for the unauthorised use of its unregistered trade mark to stop a third party from passing off its name. In order to succeed in a passing off action, a company must have the necessary goodwill and reputation and satisfy certain other criteria. One of the most important criteria is that the company bringing the claim

must be able to show confusion on the part of the public. This is usually achieved by using survey evidence, which is generally expensive to collate. The remedies available are the same as for a trade mark infringement action.

■ **How can confidentiality/know-how be protected?**

Confidentiality protects other information not capable of IP protection, such as an invention before a patent application is filed, know-how, including commercial information, recipes, trade secrets, processes and improvements to products. In order for an invention to be protected by the law of confidential information, the information must have the necessary quality of confidence.

It is therefore crucial for the owner of an invention to enter into a confidentiality agreement at the outset of any negotiations relating to an invention. The agreement must specify:

- What information has to be kept confidential;
- How long for;
- The purpose for which the information is to be disclosed; and
- Any other limitations placed on the use of the information.

■ **What are the remedies for breach of confidentiality?**

The remedies for breach of confidential information are the same as for IP infringement.

■ **What are the key issues involved in IP protection?**

The following checklist should aid you in assessing whether your company has a sufficient level of IP protection. The list is not in anyway exhaustive.

■ **IP Issues**

Patents

- Is the invention capable of patent protection?
- Have the relevant patent searches been carried out?
- Is there a risk of infringing a third party's patent?
- Has the invention been disclosed in any form to a third party?

Copyright

- Is the work original?
- Who owns the copyright in the work?
- Have copyright notices been placed on all original work?

Design

- Is the design original?
- Is the design commonplace?
- Who owns the design?

- Trade Marks and Brands
- Who owns the trade mark?
- Have the requisite trade mark clearance searches been carried out?
- What is the trade mark filing strategy?
- What is the risk of infringement and/or passing off?

Know-how

- Is the know-how kept secret and identifiable?
- Have any know-how licences been granted?

Patents

- Has the invention being disclosed in anyway, anywhere in the world?
- Was the invention disclosed under an obligation of confidence?
- Did the parties sign a confidentiality agreement?

Designs

- Has the design been disclosed to a third party?

Confidentiality

(Protects information as long as the information remains confidential)

- Has the inventor entered into a signed confidentiality agreement with a third party?
- Is there a third party in breach of confidential information imparted to it?
- How does the individual or company keep information confidential?
- Have all relevant information been marked as 'strictly confidential'?

E-business

- Does the company have well drafted Terms and Conditions?
- Does the company have all relevant notices on its website?
- Does the company own all copyright and other IPRs on its website?
- Does the company have the relevant data protection notice on its website?
- Does the company's advertisement comply with the relevant UK Codes of Advertising and legislation?

Risk Management

- Does the company own all its IPRs?
- Does the inventor or its employee's keep written records of developments?
- Are research notes₂ written, dated and initialled?

- Does the company require a data protection certificate?

Insurance

- Does the company have adequate insurance cover?
- Does the company have a specialist IP or 'cyberliability' insurance?
- Has the company undertaken an IP audit?
- If so, has the audit identified any other invention, which should be exploited?

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