

RGC Jenkins & Co.

Intellectual Property Rights: Creativity and Innovation Art



Creativity drives business from the first seed of a new idea to bringing new technology to the marketplace, and from new branding or packaging to new products and processes for satisfying the needs of customers. This creativity and its implementation is the intellectual property of a business, and the laws of industrialised nations recognize their ownership through intellectual property rights (IPRs).

IPRs are categorised by the branches of law that give recognition to the rights of exclusivity:

- Trade marks
- Copyright
- Design rights
- Know-how and trade secrets
- Patents

Each has its role to play in the formation and growth of a business. In this chapter we outline the essentials to new and growing businesses.

TRADE MARKS

The first asset in the intellectual property portfolio of a new business is frequently its name or the name under which it will trade, i.e. its trade mark. The name may have grown in usage from humble beginnings or may be launched onto the market in a blaze of advertising. The main purpose of a trade mark is to identify the goods or services that a business offers. It guarantees the quality of those goods and services to the purchasing public and ensures they are not confused with the goods or services of competitors.

Satisfied customers will be reassured when seeing a trade mark that subsequent purchases will be to the same standard as before. New customers will be attracted by the presence of the trade mark, since any advertising or personal recommendation will emphasise the mark.

A trade mark can be one or more of a word, letters or numbers, a logo, a slogan, colours, a shape, an advertising jingle or indeed any other sign that is able to distinguish a company's goods and services from those of others.

CAN I CHOOSE ANY TRADE MARK?

No. Many thousands of trade marks are already owned by other organisations. Before adopting a new trade mark, it is therefore important to check whether your mark is the same as or very similar to someone else's mark. If it is and you go ahead and use your mark, you may be forced to stop by the owner of the earlier right. This could have disastrous consequences, since you could lose everything spent on the initial launch of your product. You may even have to pay badly needed funds as recompense to the other party.

'New customers will be attracted to your products by the presence of the trade mark, since any advertising or personal recommendation will emphasise the mark.'

It therefore makes good commercial sense to clear your mark for use and, once you have done this, apply to register it, so that you are in a strong position to stop others competing unfairly with you.

HOW DO I REGISTER MY MARK?

In order to obtain a registered trade mark, it is necessary to file a trade mark application for the mark covering a particular country (e.g. UK or USA) or a region (e.g. the European Union).

Not all marks can be registered. Your mark will usually be accepted for registration if it satisfies two main criteria. First, it must not be descriptive of the goods or services of interest to you. Thus BEAUTIFUL would not be acceptable for ladies clothing, whilst TOP could not be registrable for hats. Second, the mark must not be confusable with an earlier mark that is registered and/or used for the same or similar products. If your mark meets both of these conditions, it will usually be accepted for registration.

Owning a registered trade mark has a number of advantages. It can give you legal rights even before you use your mark. It appears on a public register. This should help to steer your competitors towards marks that are different from yours.

Finally, it is much easier for you to stop others either straying inadvertently too close to your mark or deliberately copying your mark. This makes any legal action that proves to be necessary much cheaper. A trade mark registration is therefore a very cost-effective legal weapon.

The Legal 500 UK, 2008
*2008 TMT Trade Mark Attorneys:
Tier 1 Recommended*

As a business grows, new marks or brands may be adopted for new products or services or existing brands may be launched on new products or in foreign markets. These phases of growth have trade mark risks that are frequently much greater than the initial phase of growth in the home market. Be aware that a trade mark that is in use in one country for certain goods may not necessarily be available for use in other countries or for other goods. Appropriate searches must be carried out to clear the trade mark for use in any new target markets.

COPYRIGHT

Original works of authorship generally benefit from copyright protection automatically. Copyright protects copying of works such as text, drawings, software, recordings, web designs, databases and the like. There is usually no registration process. (Registration in the United States Copyright Office is possible, though not essential, and gives certain advantages if the right has to be enforced in that country.)

Copyright is a valuable asset of a business, and it is important to ensure that it is properly owned by the company. Founding directors should assign their copyright to the company. Similarly, consultants (architects, designers, authors, software engineers and the like) should be contracted on terms that require assignment of the copyright to the company and those assignments should be signed when the commissioned work has been completed.

Many times a copyright action has failed because the company suing for infringement has found that it doesn't own the copyright, and many an opportunistic business has been founded on valuable copyright work where an author, artist or originator has not been required to assign copyright to the commissioner of the work.

DESIGN RIGHTS

The visual appearance of a product can be protected by registered or unregistered design rights nationally or for the European Community or at international level. With the commencement of registration of Community Designs in 2003, the availability of this form of protection has exploded to encompass a wide range of articles never previously considered registrable. No longer is this form of protection limited to industrial design in 3-D articles. No longer must the design necessarily be applied to an article by an industrial process or be judged solely by its "eye-appeal". Functional and non-functional articles as well as 2-D graphics and the like are all registrable, provided they are new.

This form of protection is quick and represents good value-for-money if protection across Europe is of interest.



KNOW - HOW AND TRADE SECRETS

It is said that a secret is like ice. If you put it in a cold place, you can keep it intact indefinitely, but if you pass it into warm hands it will melt away. Of course know-how and trade secrets are of no value if kept in deep freeze. They must be put to use. But take care. Use precautions such as confidentiality agreements and “confidential” marking of documents and correspondence, as well as appropriate physical security.

Above all, plan the release of trade secrets into the public domain with care. Your confidential know-how becomes available to the public when you sell your first product or issue a press release or give a presentation disclosing the information. If the first sale of a product is a pre-production sample, take particular care over the terms of its sale. The day that information is released to the public about a new product or process, it may be too late to protect it with a patent.

PATENTS

For protection of new products or processes, patents are the principle IPRs to consider. A patent is a fixed-term monopoly right (up to 20 years and sometimes more) granted by government in exchange for disclosure of a new invention to the public in the form of a detailed specification of how to make or work the invention. You can't have it both ways. You can't have the monopoly but hold back from fully disclosing how to make the invention. So carefully consider whether and when to file a patent application. European or foreign patent applications will have to be filed within 12 months (and these are expensive) and the application will be published after 18 months. File an application too soon, and these costs will fall due before the business is ready to support them. File the application too late, and someone else may get there first (either by disclosing the idea or, worse still, filing a patent application and thereby claiming the earlier right).

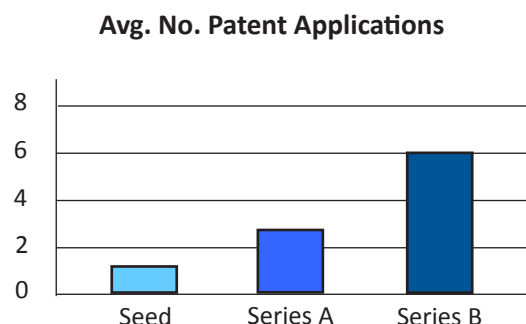
Prepare the patent application with care. Engage a patent agent. If the features of the invention that are novel and inventive vis-à-vis the state of the art (which may not be known at the time of filing the application) are not adequately described and claimed from the outset, the application may be worthless. Extra detail cannot be added later. If the invention is not defined in terms that are sufficiently general, the resulting patent

claims may be so narrow as to be worthless against later developments or a competitor determined to “design around” the patent.

‘Prepare the patent application with care. Engage a patent agent.’

As the business grows, so too should the patent portfolio. Often it is not the first innovation that is the best, but the later improvements, embellishments or added features that give protectable value.

Research by RGC Jenkins & Co. among technology start-ups shows a significant expansion of patent portfolios in the stages between initial seed funding and “series A” or “series B” venture capital funding. The chart below shows, for start-up companies with published patent applications (published in the company's name), a breakdown of the average patent portfolio size according to last round of VC funding. The numbers represent numbers of patent families (where a patent family may have a number of patents for the same invention in different countries).



The initial increase from “seed” funding to “series A” funding coincides with the stage at which VC investors perform due diligence investigations onto a company's IPRs. The VC wants to know: 1) whether adequate protection for the technology has been applied for in the relevant markets around the world; and 2) from the search reports issued by the various patent offices, whether the company's inventions are indeed new, or whether in fact others have filed patent application first. Further portfolio growth is seen as a company progresses from “series A” funding to “series B” funding, by which time the product is typically through its prototype phase and about to enter production. This is an innovative stage when technical problems have to be overcome and the company has sufficient liquidity to patent the solutions to those problems.

ABOUT JENKINS

Jenkins is a firm of patent and trade mark attorneys and certified patent, trade mark and design litigators. Founded in 1937, we are now one of the largest and most successful intellectual property practices in Europe; consisting of 15 partners, 24 professional staff, and around 60 support staff, with offices in London, Bristol and Munich. We specialise in all areas of intellectual property protection worldwide, providing a comprehensive service in the protection, maintenance and enforcement of IP assets in all technical fields. We regularly feature in the top rankings in Chambers, the Legal 500, and other independent guides to the IP sector and IP awards.

Our patent attorneys and professionals assist clients in obtaining patents for their inventions, policing their patents and licensing their patents. We routinely offer professional advice on portfolio management, patent validity and infringement and can supervise both offensive and defensive litigation for both domestic and overseas clients. In addition, our trade mark attorneys and professionals handle all aspects of trade mark work, including advice on unfair competition and domain names, whilst our design team deals with the protection of registered and unregistered designs, both at the national and the Community level.

Jenkins handles all areas of intellectual property protection on a worldwide basis. We have a wealth of experience in UK, European and International Intellectual Property law. Our firm provides a comprehensive service in the protection, maintenance and enforcement of IP assets in most technical fields with particular expertise in the fields of biotechnology, medtechnology, chemistry, pharmaceuticals and other life science areas, electronics, computer technology, optics, telecommunications and mechanical engineering,

Our strategic intent is to be a world leading intellectual property law firm; building on our heritage and wealth of experience to offer excellence in all areas of intellectual property, prosecution and litigation and creating value for money for our clients through commitment and close involvement with our clients' commercial strategies.

We have built a reputation for honesty, clarity, creativity and tenacity in the pursuit of our clients' commercial goals through the highly focused protection, defence and enforcement of patent, design and trademark rights in the U.K. and internationally.



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