

# **An Overview of Intellectual Property Rights**

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The following is a summary of the main intellectual property rights (“IPRs”) that may be relevant to protect the inventions and business models of startups and other businesses. It is based on the law of the United Kingdom, but indicates how such rights may be protected internationally. This is only a general indication of the application of each right, and specialist advice should always be obtained as to how such IPRs may apply to your specific business.

IPRs are territorial, in that they arise under the law of particular legal jurisdictions and apply within that jurisdiction. However there is a network of international treaties, which provide for mutual recognition of foreign IPRs or allow registration in other jurisdictions based on a first registration in the home jurisdiction.

Some IPR are obtained by registration with the appropriate IP Office (e.g. the UK IPO), whilst others arise automatically by operation of law and so are effective even though unregistered. There can be registered and unregistered versions of the same kind of IPR.

## **Unregistered IPR**

### **Copyright**

Copyright is perhaps the most important IPR to many businesses, due to its wide scope. It protects original creative works, including literary, dramatic, musical or artistic works, sound recordings, films or broadcasts. Computer programs are protected as literary works.

Copyright arises automatically by operation of law when a qualifying original work is created by its author and (in most cases) is recorded or fixed in some way. No formalities are necessary to obtain copyright, but it is advisable to keep evidence of its creation. Marking a work with the © symbol, the name of the author or owner and the year of creation is an internationally-recognised way of identifying a copyright work, but is not necessary for its enforcement in most jurisdictions. Some jurisdictions (e.g. the USA) may require registration of copyright before it can be enforced. There is mutual international recognition of copyright under a network of treaties.

Copyright protects the particular expression of the underlying ideas in a work, but not the ideas themselves.

A major advantage of copyright is the long period for which it is effective. This varies by type of work and jurisdiction, but for example literary works are protected in the UK for 70 years from the end of the calendar year in which the author dies.

Copyright is also very flexible, and may be assigned (transferred) or licensed to third parties so that they may exploit it without infringement. Assignments or licences need to be in writing and signed by the assignor or licensor. A common pitfall is that although works created by employees in the course of their employment will be owned by their employer, works commissioned from sub-contractors will belong to the sub-contractor and so need to be assigned or licensed to the commissioning party. Future copyright still to be created may be assigned, so such an assignment should be obtained when commissioning copyright works.

Moral rights are statutory rights relating to copyright works which are personal to the creator and cannot be assigned or licensed, but can be waived. They include the right to be attributed as the creator and to object to derogatory treatment of the work.

There are also certain “neighbouring rights” to copyright which are of importance in certain industries: for example in the music industry the rights of performing artists and their labels to be paid for the use of their recorded music.

## **Database Right**

The structure of a database may be protected by copyright if it is original, in that the selection and arrangement of the contents constitutes the author’s intellectual creation. But there is also a standalone EU or UK unregistered database right that protects the contents of the database where there has been a substantial investment in obtaining, verifying or presenting those contents. Database right lasts for 15 years from the end of the calendar year in which the making of the database was completed or first made available to the public.

## **Unregistered Trade Marks (Passing Off)**

A passing off action can protect a business name or unregistered trade mark, goodwill or rights in get-up or trade dress.

A claim can be brought for passing off where:

- There is goodwill or reputation attached to the claimant’s goods or services;
- A misrepresentation is made by the defendant to the public leading or likely to lead the public to believe that the goods or services offered by the defendant are the goods or services of the claimant; and
- The claimant suffers damage as a result.

There is also an “extended form” of passing off where:

- There is a misrepresentation;
- Made by a trader in the course of trade;
- To prospective customers of theirs, or ultimate consumers of goods or services supplied by that trader;
- Which is calculated to injure the business or goodwill of the claimant (in the sense that this is a reasonably foreseeable consequence); and
- Which causes actual damage to that business or goodwill of a trader by whom the action is brought or will probably do so.

In either case the claimant needs to prove they have suffered actual damage to their business, which can be problematic in practice and is not a requirement where they are relying on a registered trade mark.

## **Trade Secrets**

Trade secrets are protected by the law of confidentiality and/or contractually by confidentiality or non-disclosure agreements. A trade secret is a specific form of confidential information which is commercially valuable, treated as secret and gives the owner a competitive advantage.

Know how is a form of trade secrets which can be licensed to third parties, for example by a third party. Trade secrets are a flexible and cheap way to protect know how, but the risk is that if the confidentiality is broken the secrecy is lost and the owner is left with a claim for damages against the party in breach.

Where an invention is patentable it can be disclosed to third parties under a confidentiality agreement without making a public disclosure which would prevent a future patent application. Where the invention is non-patentable (for example it is a business method) the only way to protect it as an IPR is as a trade secret.

## **Unregistered Designs**

Before Brexit unregistered designs were protected by the following IPRs in the UK:

- Copyright as artistic works for the original drawings of the designs
- Design Right under the UK Copyright, Designs and Patents Act 1988
- Unregistered Community Designs (UCD) under the EU Community Designs Regulation

The last has been replaced post-Brexit by:

- Continuing Unregistered Community Designs to preserve existing UCDs on Brexit within the UK
- Supplementary Unregistered Designs to replace the UK designation of the UCD and preserve the additional protection they provided in the UK beyond Design Right for any new designs created post-Brexit

UK Design Right protects the appearance of a purely functional product. It does not protect commonplace designs or features of designs that must fit or match other articles. It is a right to prevent copying and is valid for ten years from the first marketing of articles made to the design or 15 years from the creation of the relevant design document (whichever is less).

UCD (and its post-Brexit variants) protects the appearance of products. The design must be new, have individual character and not be excluded (e.g. features that are solely dictated by the product's technical function, and "must fit" features). It is also a right to protect copying and lasts for 3 years. It is suitable for fast-moving items which are not worth the trouble and expense of registering designs, such as fashion garments.

## **Registered IPR**

### **Trade Marks**

Trade Marks are signs used by traders to differentiate their goods and services from those of other traders. If registered they give an exclusive right to use the mark on the goods or services for which they are registered. They also allow the owner to prevent use of similar marks on the same goods or services if it causes confusion or is likely to do so. If the mark has a reputation it can also protect against its use on dissimilar goods or services if such use is without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark.

There are a number of grounds on which an application for registration of a trade mark can be refused. In particular, to be registered a trade mark must be distinctive, not descriptive of the goods and/or services for which it is registered, and must not infringe an existing registered mark of another trader. Trade marks must be used by the trader on the goods or services for

which they are registered, or they will become vulnerable to being declared invalid on the application of a rival.

Trade Marks are a valuable IPR to protect one's brand or logo, but are only registered for specified classes of goods or services within a particular legal jurisdiction. They can be registered for multiple classes, but the cost goes up accordingly and they risk being invalidated for those classes on which they are not actually used. They also have the advantage that they can last indefinitely, provided the owner keeps paying the periodic renewal fees – though if the brand evolves too much from the registered version, it may become necessary to re-register the new version.

UK Trade Marks are registered with the UK IPO and if the registration is granted have effect from the date the application was first made.

Separate application can be made to register a Trade Mark in other jurisdictions, including the EU (for which EU Trade Marks can be registered giving protection across the whole EU). It is possible when registering a UK Trade Mark to make an additional application for it under the Madrid Protocol designating additional jurisdictions worldwide, and paying additional fees to WIPO in Geneva. This enables future applications to be made in those jurisdictions based on the UK registration, which if successful will be backdated to the date of application for the UK Trade Mark.

EU Trade Marks that were registered on Brexit, so previously included the UK, have been converted into UK Trade Marks in addition to the ongoing EU Trade Mark right for the rest of the EU.

## **Patents**

Patents protect inventions. Unlike copyright, they protect the idea rather than the particular expression of it. If granted, they give the right to stop others for using the invention for 20 years from the date of grant, or to exploit the patent by licensing others to exploit it.

Patents are an important IPR which can add significant value to a business in the eyes of investors. However an application to register a patent is technical and expensive and the costs of taking action to protect the patent against infringers can also be significant.

Patent law in the UK conforms to worldwide agreed standards and a patent may only be granted for an invention if that invention:

- Is new (so not part of the existing state of art and not already disclosed by the inventor, except under a confidentiality agreement as above);
- Involves an inventive step;
- Is capable of industrial application; and
- Is not specifically excluded from protection as a patent.

The specific exclusions include discoveries, scientific theories and mathematical methods (though their practical applications can be patented), aesthetic creations (which are protected by copyright), schemes, rules and methods for performing mental acts, playing games or doing business, computer programs (though technical effects achieved using software may be patentable) and the presentation of information (for which database right may be available).

As with Trade Marks, Patents are registered within a particular legal jurisdiction, but a UK Patent application can be used as the basis for Patent applications in other jurisdictions through the Patent Co-operation Treaty.

Despite Brexit, the UK remains a party to the European Patent Convention, administered by the European Patent Office (EPO) in Munich. A European Patent if granted operates as a bundle of national patent rights in each of the member countries designated by the applicant.

The UK did however drop out of the new European Patent with Unitary Patent, which operates as a single patent right having effect in all participating EU Member states.

A UK applicant for international patent protection may therefore apply in the first instance to the UK IPO or the EU IPO (designating the UK as a country in which protection is sought). They then have one year to decide whether to go down the PCT route (and can then designate the EPC if they made the initial application via the UK IPO).

## **Registered Designs**

Registered Designs give a 25-year exclusive right to make articles incorporating the design. This allows the rights-holder to sue for infringement even where the defendant did not copy the design.

To register a design it must:

- Be new, in that an identical or very similar design must not have been disclosed anywhere in the world before the application. However, unlike patents, the designer has a 12 month grace period after disclosure in which to file their application for a design;
- Have "individual character", that is, it must give a different overall impression from previous designs, but it need not have artistic merit;
- Not be specifically excluded from registration. Exclusion include computer programs, features that are solely dictated by the product's technical function, and "must fit" features (that is, features that are necessary to allow an article to fit another article), though modular systems are allowed.

Although quite technical, registration is relatively low-cost and quick.

Registered Community Designs can be applied for, which cover the whole EU, and those in force on Brexit have been converted into UK Registered Designs within the UK, as for EU Trade Marks.

International registered design protection is available based on a UK Registered Design under the Hague Convention, in a similar way to trade marks and patents.

## **Domain Names**

Domain names are electronic addresses for websites and emails which are not strictly IPRs, but share some features with them and are commonly included in contractual definitions of "Intellectual Property Rights". Registering appropriate domain names can be an important part of a brand protection strategy.

## **Other IPR**

There are other specialist IPRs that are not covered in this note; e.g. protected geographical origins, plant breeders' rights and semiconductor topography rights.

Utility models are a form of lesser patent protection which are available in some other jurisdictions but not in the UK. Registered Designs may offer equivalent protection.