

Top 5 common mistakes in Intellectual Property

And how to avoid them...

18 September 2014



What is intellectual property ?

- Exclusive rights on intellectual creation
- “Intangible assets”
- They can be sold (assigned) or rented (license)
- Copyrights : audiovisual content, design, fashion, software
- Design rights : appearances of products
- Patent rights : inventions (technical solutions to a problem)
- Trademarks : distinctive signs (brands, logos)
- Database rights

What is intellectual property ?



1/ Failing to document ownership/assignment

- Problem :
 - IPR are always created by human minds
 - IPR most of the time belong to companies
- Solution : properly document assignment to the company
- Easy for some rights :
 - Trademarks: belong to the company who files
 - Patents: usually belongs to the employer by law (or proper assignments will be documented during the patent prosecution process)
- Copyright assignments must be documented in writing (except for software when created by an employee)

1/ Failing to document ownership/assignment

STAR WARS HELMET SAGA



- Mr Ainsworth recalls: "I made a prototype and Lucas said 'great, I'll have 50'."
- Legal battle in the US / UK


1/ Failing to document ownership/assignment

- Computer software

- Employee deemed to assigned rights to employer
- BUT : restrictive definition of “employee”

- Cass 3 June 2010 :



- DocToKeep : computer program assisting in archiving and retrieving critical information throughout his organisation
- Created by Mr. H who was the manager (“gérant”) of Area Productions sprl
- No agreement dealing with copyright between Mr. H en AP
- Area Productions goes bankrupt
- Receiver sells the software to 
- Mr H claims that Dekimo infringes his copyrights
- Mr H had not assigned his rights and the legal presumption does not apply

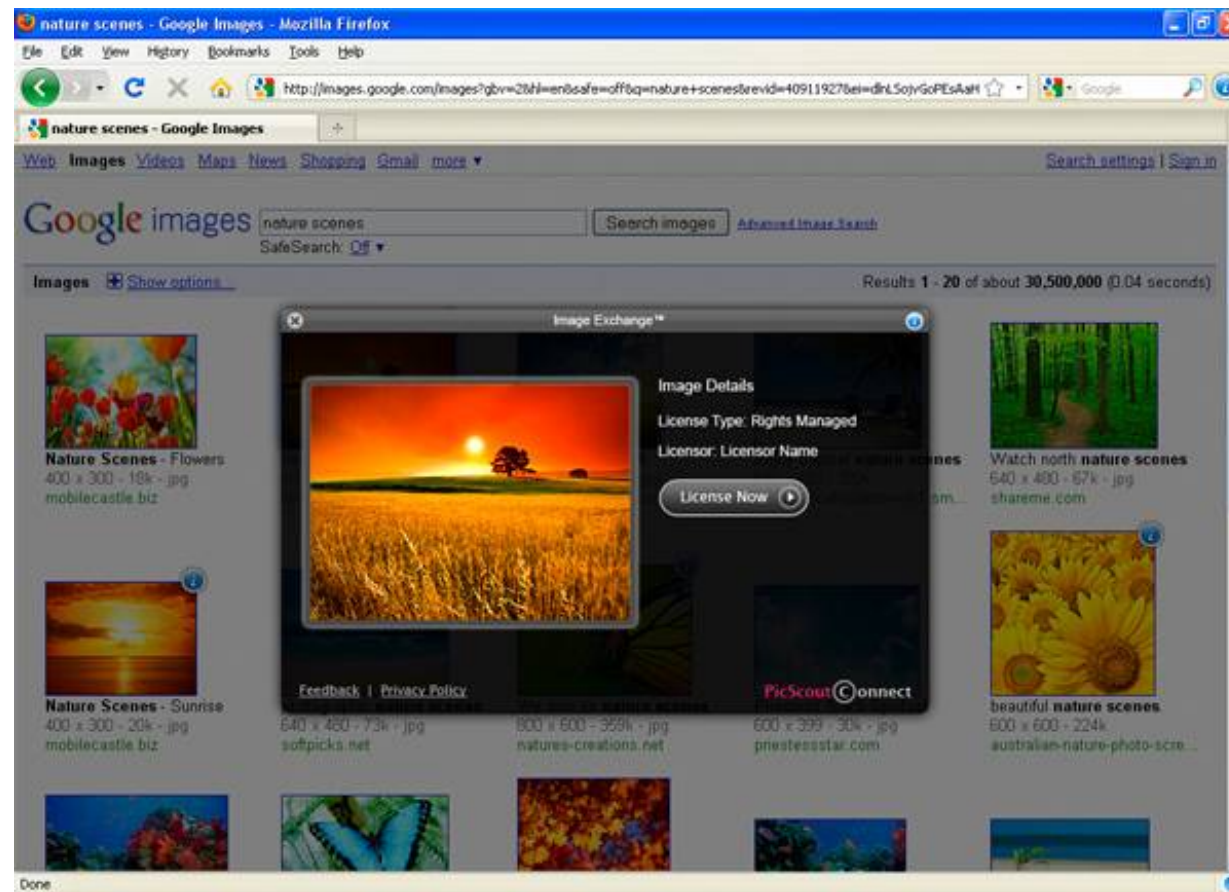
2/ False impression of “Public domain”

- What is public domain ?
 - Creations that are not original enough or that are too old (70 years post mortem)
 - So... very few things...



2/ False impression of “Public domain”

- Available on “Google Images” >< public domain
 - Getty Images:



2/ False impression of “Public domain”

- Open Source Software >< public domain
 - You should think of “free” as in “free speech,” not as in “free beer”.
 - « Strings attached » (e.g. redistribution of derivative works)
 - Court of Appeal Paris, 16 septembre 2009, EDU4
 - Public grant for educational tools with software
 - Includes open source software « VNC » (GPL v2)
 - GPL conditions were not fulfilled
 - Contract (grant) annulled !



Considérant qu'il résulte de l'ensemble de ces éléments que la société EDU 4 a manqué à ses obligations contractuelles en livrant en décembre 2001, date à laquelle devait s'apprécier sa conformité, un produit, d'une part qui présentait pour les utilisateurs des EOF des risques d'atteinte à la vie privée, d'autre part qui ne satisfaisait pas aux termes de la licence GNU GPL puisque la société EDU 4 avait fait disparaître les copyrights d'origine de VNC sur les propriétés de deux fichiers en les remplaçant par les siens et avait supprimé le texte de la licence;

Considérant en conséquence, que l'AFPA est bien fondée, par application de l'article 1184 du code civil, en sa demande en résolution du marché; que la recette de la première phase n'étant pas intervenue, la société EDU 4 ne peut obtenir paiement de son prix; que sa demande en dommages-intérêts est mal fondée;

3/ Missing out on opportunities for protection

- Copyright or database rights :
 - never an issue because rights are acquired automatically
- But this is not true for other rights
 - Patents : invention must be new
 - Novelty is very strict (publication in any form, any language, any place)
 - Even your own publication !
 - $>< 1$ year “grace period” in the US
 - Designs : appearance of the product must be new
 - Novelty is less strict (reasonably known in the normal course of business to the circles specialised in the sector concerned, operating within the EU)
 - “Grace period” (1 year)
 - Patents : invention must be “inventive” (non-obvious)
 - Engineers perception of obviousness $><$ legal requirement
 - Create an “invention policy” (invention disclosure + patent board)

4/ Taking granted patents for granted

- The conditions for patentability (novelty and non-obviousness) are examined by the patent office (EPO)
- Natural tendency to accept them as “valid”
- BUT they can be revoked before courts
- Examiners often miss out on “prior art”
- Do not take them for valid unless you have independently investigated their validity !

4/ Taking granted patents for granted

- “Patent trolls” threaten to shut down your business unless you enter into a license agreement
- Investigate the validity of the patents before signing
- Two companies within the same group
 - One decided to sign a 8 years license
 - The other investigated the patent portfolio and decided to fight
 - Two patents have been revoked (in Belgium) and 8 in total
- Also before you purchase a company
 - Validity of the patents may influence price !

5/ Choosing a bad name

- Think about your brand in other languages
 - Chevy ***Nova*** → Chevy Caribe in Latin American countries
 - Mazda ***Laputa***
 - “***Gerber***” for Baby Food
 - “***Gossamer***” for condoms
- Trademarks must be distinctive



5/ Choosing a bad name

- Trademarks must be available
 - It is not because it is registered (or because the domain name is still free) that the mark may legally be used
 - Before choosing a name perform an availability search !
 - Google “Gmail” in Germany (German Trademark)

