

# What every corporate counsel should know about IP

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# Importance intellectual property protection

- Intellectual property fosters innovation
- New economy: intangible assets more important than tangible assets
- S&P 500:
  - In the 1970s S&P 500 companies had collective market cap in which 90% was attributable to tangible assets (land, physical infrastructure like industrial plants, equipment, ...)
  - Today, S&P 500 companies have a collective market cap in which 90% is attributable to intangible assets (patented technology, trademarked brands, copyrighted software, ...)

# Intellectual Property Rights (1)

- Many types of intellectual property rights
- Basically two main categories
  - Identifiers
  - Creations
- Identifiers
  - Trademarks
  - Tradenames
  - Domain names
  - Geographical indications
  - ...

# Intellectual Property Rights (2)

- Creations
  - Copyright
  - Design rights
  - Neighbouring rights
  - Software
  - Patents
  - Chips
  - Databases
  - Plant varieties
  - ...

# Intellectual Property Rights (3)

- Two types of protection
- IP rights which protect creations
  - Absolute
  - Prohibit reproductions
  - Protect creator
  - Limited in time
- IP rights which protect distinctive signs
  - Relative
  - Prohibit use distinctive sign in relation to determined products or services, on condition risk that consumer confused about origin goods or services
  - Protect consumer
  - Unlimited in time



# Intellectual Property - Legislation

- Each of the IP rights is subject to a specific legislative regime which can be
  - Belgian (e.g. Belgian Code of Economic Law (since 1/1/2015))
  - Benelux (e.g. Benelux Convention on IP)
  - EU (e.g. Regulation on Community Trademark)
  - International (e.g. European Patent Convention)

# Intellectual Property - Trends

- More and more ad hoc protection regimes
  - Software, chips, databases, ...
- Harmonisation
  - International treaties (WIPO (Paris Convention, Berne Convention), WTO (TRIPS), EU Directives, ...)
- Important role European Court of Justice

# Plan

1. Be realistic about your rights
2. Don't take granted patents for granted
3. Shop for the right forum
4. Document IP ownership/assignment
5. Not everything which is public is public domain
6. Choose your name carefully





Be realistic  
about your rights

# Be realistic about your rights (1)

- Trademark: Any sign capable of distinguishing the goods or services of one undertaking from those of other undertakings
- Under trademark law (contrary to copyright law), registration is required to be able to enforce trade mark rights
- OHIM decision 16 June 2011



21 La couleur rouge Pantone n° 18.1663TP appliquée à une semelle de chaussure à talons hauts diverge donc d'une manière significative de la norme et des habitudes du secteur (voir arrêt du 7 octobre 2004, C-136/02 P, « Torches », point 31 ; arrêt du 22 juin 2006, C-24/05 P, « Karamelbonbon », point 26). La marque demandée sera donc perçue comme fantaisiste, surprenante et inattendue. Elle frappe à ce point le regard qu'elle sera facilement mémorisable. Il y a lieu de relever que, si l'existence de telles caractéristiques ne constitue pas une condition nécessaire pour établir le caractère distinctif d'une marque, il n'en demeure pas moins que leur présence est en principe de nature à conférer à celle-ci un tel caractère (voir arrêt du 21 janvier 2010, C-398/08 P, « Vorsprung durch Technik », point 47).

# Be realistic about your rights (2)



# Be realistic about your rights (3)

- United States District Court of New York decision of 10 August 2011



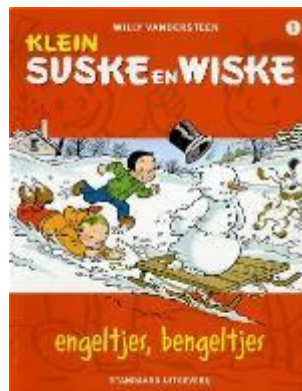
Louboutin's claim to "the color red" is, without some limitation, overly broad and inconsistent with the scheme of trademark registration established by the Lanham Act. Awarding one participant in the designer shoe market a monopoly on the color red would impermissibly hinder

# Be realistic about your rights (4)

- Originality (« *copyright is liable to apply only in relation to subject-matter which is original in the sense that is the author's own intellectual creation* » (ECJ, 16 July 2009, C-5/08, Infopaq)
- No formalities



# Be realistic about your rights (5)



Engeltjes  
& Bengeltjes



Kinderkoor De zingende B'Engels

KDV De B'Engeltjes

Bengeltjes of engeltjes?

Met (b)engeltje nr. 1 lopend in het rond verheugen wij ons op (b)engeltje nr. 2 die begin januari in ons leven komt.

Engeltjes & Bengeltjes Tweedehands kinderkleding



(B)engeltjes



# Be realistic about your rights (6)

## Engels en bengels

Hallo,

Dit is mijn winkeltje met allerlei voor de allerkleinsten. Neem gerust een kijkje en aarzel niet om mij te emailen als je vragen hebt. Alles is in nieuw of zo goed als (zonder vlekken of verkleuringen). Veel plezier!

Boeffies & (B)engeltjes

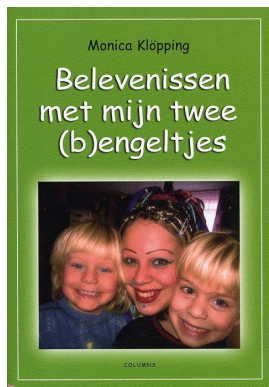


(b)engeltjes



Engeltje Bengeltje.com

engels en bengels  
kinderfotografie



Engeltjes-en-bengeltjes  
Regelmatig een bengeltje meer



# Be realistic about your rights (7)

- Antwerp Commercial Court, 16 December 2013

De rechtbank aanvaardt geen auteursrechtelijke bescherming voor de titel "BENGELTJES" en dit op grond van volgende overwegingen:

- STUDIO 100 bewijst voldoende naar recht dat de combinatie van de letter "B" met het begrip ENGELTJES (dan wel het spelen de tegenstelling/combinatie "BENGELS/BENGELTJES" en ENGELS/ENGELTJES") algemeen bekend is zodat deze speelse combinatie niet wordt beschouwd worden als een *"eigen intellectuele schepping"*. STUDIO 100 brengt hieromtrent voorstellingen aan van handelsnamen, titels van boeken, ... waar dezelfde combinatie wordt gebruikt en gericht is op kinderen (dan wel de ouders).





Don't take granted  
patents for granted

# Don't take granted patents for granted (1)

- Patent troll:
  - Does not practice or commercialise patented inventions
  - Acquires and/or holds patents solely for enforcing and licensing



# Don't take granted patents for granted (2)

- In the US, 'trolling' is booming
  - 2007: 24.5 % of patent infringement lawsuits by trolls
  - 2011: 40%
  - 2012: 56% (R. Feldman, T. Ewing, S. Jeruss, 'The AIA 500 Expanded: The Effects of Patent Monetization Entities', UCLA Journal of Law & Technology 2013, Volume 17, Issue )
- Procedural environment:
  - Huge litigation cost: average cost of patent infringement lawsuit in 2009 was \$5.5 million (2009 AIPLA Economic Survey)
  - Huge damage awards (jury, punitive damages)
  - Risk of Injunction

# Don't take granted patents for granted (3)

- 75 % of the cases is settled:
  - Due to costs involved and risk of injunction, defendant companies often find it more cost effective to settle, even if they do not believe that infringement has occurred, rather than proceed through expensive and uncertain litigation
  - At too high a price ("hold-up")
- *"The folks that you're talking about [Patent Trolls] are a classic example; they don't actually produce anything themselves. They're just trying to essentially leverage and hijack somebody else's idea and see if they can extort some money out of them... [O]ur efforts at patent reform only went about halfway to where we need to go and what we need to do is pull together additional stakeholders and see if we can build some additional consensus on smarter patent laws."* (President Obama, 14 February 2013)
- Innovation Act passed Congress but stalled in Senate on 21 May 2014 (lobby of trial lawyers and pharma lobby)

# Don't take granted patents for granted (4)

- Trolls In Europe?
  - Less favorable environment than in US
    - Cost of litigation is much lower (less leverage)
    - Damage awards (no jury) are lower (less leverage)
  - But trolls are becoming more active in Europe too
  - Be prepared !

# Don't take granted patents for granted (5)

- Check vendor agreements
  - Indemnification provision?
  - Procedure to be followed for indemnification
  - Indemnification is capped?
- Have IP counsel review the patents and the allegedly infringing product/process
  - Very often trolls patents are 'bad' patents
  - Design around possible?
  - Obtain an opinion of IP counsel (to avoid 'bad faith' scenario) on invalidity and/or non-infringement

# Don't take granted patents for granted (6)



- Extent of potential damages/royalties
  - If cost of licensing offer exceeds cost of litigation and patents are bad patents indeed, it might be worth fighting
  - Fighting will also help in keeping other trolls at a distance
- Explore whether other companies are prepared to cooperate /joint defense arrangements
  - Cooperate in areas such as prior art searching, development of invalidity and non-infringement defenses
  - Divide work and share expenses
  - Usually leads to stronger invalidity defenses because of greater resources

# Don't take granted patents for granted (7)

- Telenet vs Rovi
- Endless (vague) discussions:
  - *"Rovi's patent portfolio in Belgium includes more than 225 issued patents and pending applications, and we have provided you with a complete list of this portfolio previously. We have not attempted to analyze each and every patent or application in that portfolio as we believe that is up to Telenet to establish its eventual need to take a license under the entire portfolio."*
  - *"Given the breadth and depth of our portfolio, we do not believe it is necessary for Rovi to illustrate infringement for each and every relevant patent in our portfolio."*
- (in the meantime) analysis of patent portfolio:
  - Belgian portfolio less substantial than, e.g. Dutch, UK, German portfolio's
  - Only a few patents are relevant but good invalidity and/or non-infringement arguments
  - No license required



# Don't take granted patents for granted (8)

(19)		
		(11) <b>EP 1 327 209 B1</b>
(12)	<b>EUROPEAN PATENT SPECIFICATION</b>	
(45) Date of publication and mention of the grant of the patent: <b>27.08.2008 Bulletin 2008/35</b>	(51) Int Cl.: <b>G06F 17/30 (2006.01)</b>	
(21) Application number: <b>01979609.3</b>	(86) International application number: <b>PCT/US2001/031518</b>	
(22) Date of filing: <b>09.10.2001</b>	(87) International publication number: <b>WO 2002/031701 (18.04.2002 Gazette 2002/16)</b>	
<hr/>		
(54) <b>SYSTEMS AND METHODS FOR PROVIDING STORAGE OF DATA ON SERVERS IN AN ON-DEMAND MEDIA DELIVERY SYSTEM</b>		
SYSTEME UND VERFAHREN ZUR BEREITSTELLUNG VON DATENSPEICHERN IN SERVERN IN EINEM MEDIEN-AUF-ANFRAGE LIEFERSYSTEM		
SYSTEMES ET PROCEDES DE STOCKAGE DE DONNEES SUR LES SERVEURS D'UN SYSTEME DE TRANSMISSION DE MEDIA SUR DEMANDE		
<hr/>		
(84) Designated Contracting States: <b>AT BE CH CY DE DK ES FI FR GB GR IE IT LI LU MC NL PT SE TR</b>	EP-A- 0 605 115 WO-A-00/30345 JP-A- 11 177 962 US-A- 5 771 354	EP-A- 0 944 257 WO-A-98/48566 US-A- 5 671 377
(30) Priority: <b>11.10.2000 US 239407 P</b> <b>20.11.2000 US 252171 P</b> <b>21.02.2001 US 270351 P</b>		
(43) Date of publication of application: <b>16.07.2003 Bulletin 2003/29</b>		
(73) Proprietor: <b>United Video Properties, Inc.</b> <b>Tulsa, OK 74136 (US)</b>		
(72) Inventors: • <b>THOMAS, William, L.</b> <b>Bixby, OK 74008 (US)</b> • <b>ELLIS, Michael, D.</b> <b>Boulder, CO 80304 (US)</b> • <b>EASTERBROOK, Kevin, B.</b> <b>Gilbert, AZ 85233 (US)</b> • <b>REICHARDT, M., Scott</b> <b>Tulsa, OK 74104 (US)</b> • <b>KNEE, Robert, A.</b> <b>Lansdale, PA 19446 (US)</b>	<ul style="list-style-type: none"><li>• <b>LI V O K ET AL:</b> "DISTRIBUTED MULTIMEDIA SYSTEMS" PROCEEDINGS OF THE IEEE, IEEE, NEW YORK, US, vol. 85, no. 7, 1 July 1997 (1997-07-01), pages 1063-1108, XP000735331 ISSN: 0018-9219</li><li>• <b>S. GONDOW, T. NAGATA, T. IWAMOTO, N. NISHIO, H. TOKUDA:</b> "The Architecture of Communication Migration and Media State Management for Distributed Applications on Wearable Network" 61ST NATIONAL CONFERENCE OF INFORMATION PROCESSING SOCIETY OF JAPAN, [Online] 3 October 2000 (2000-10-03), pages 1-2, TOKYO, JP Retrieved from the Internet: URL:http://www.ht.sfc.keio.ac.jp/move/publications/papers/gon-ipsj2000a.pdf&gt; [retrieved on 2005-06-23]</li><li>• <b>F. TERAOKA, M. TOKORO:</b> "Host Migration Transparency in IP networks: The VIP Approach" ACM SIGCOMM - COMPUTER COMMUNICATION REVIEW, January 1993 (1993-01), pages 45-65, <a href="#">retrieved on 2005-06-23</a></li></ul>	

# Don't take granted patents for granted (9)

## Claims

1. An interactive media-on-demand system, comprising:

a plurality of user equipment devices that are each configured to present media-on-demand programming delivered from a remote media-on-demand server, configured to allow a user to request to freeze delivery of a media-on-demand program, and configured to allow the user to request to have the delivery resumed from the point at which the delivery was frozen; and the remote media-on-demand server being configured to deliver media-on-demand programming to each of the plurality of user equipment devices, configured to freeze said delivery of the media-on-demand program when the remote media-on-demand server receives a request to freeze said delivery from a first one of the plurality of user equipment devices, and **characterised in that** it is configured to resume said frozen delivery at the point at which said delivery was frozen to a second one of the plurality of user equipment devices when a request to resume delivery is received from the second user equipment device.

# Don't take granted patents for granted (10)

- A. There is a server and a plurality of set-top-boxes
- B. The server can freeze delivery of a media-on-demand program when it receives a request from a first set-top-box
- C. The server can resume delivery to a second set-top-box when a request is received from that device
- D. The delivery will be resumed at the point at which said delivery was frozen

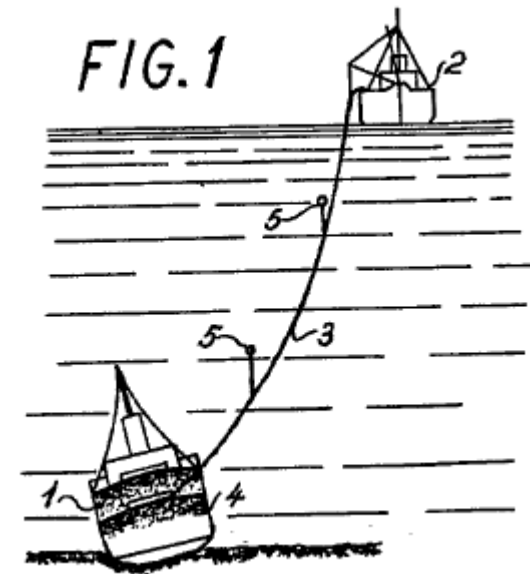
# Don't take granted patents for granted (11)

- Novelty: *« An invention shall be considered to be new if it does not form part of the state of the art. »*
- *« The state of the art shall be held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way, before the date of filing of the European patent application. »*
- Absolute condition:
  - Wherever in the world
  - Whatever language
- Pay attention to your own disclosures!

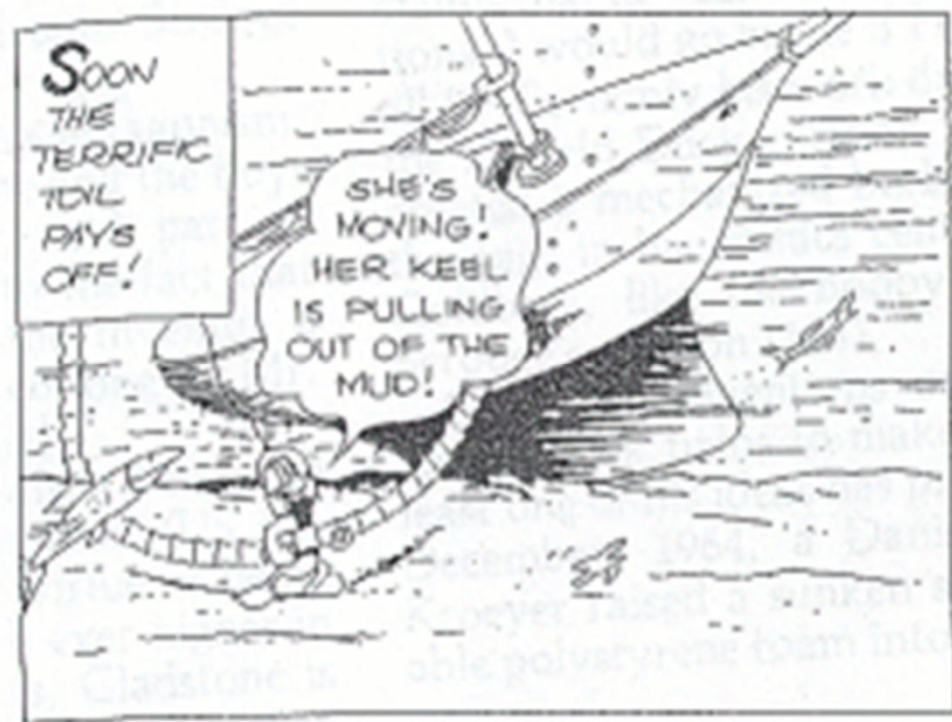
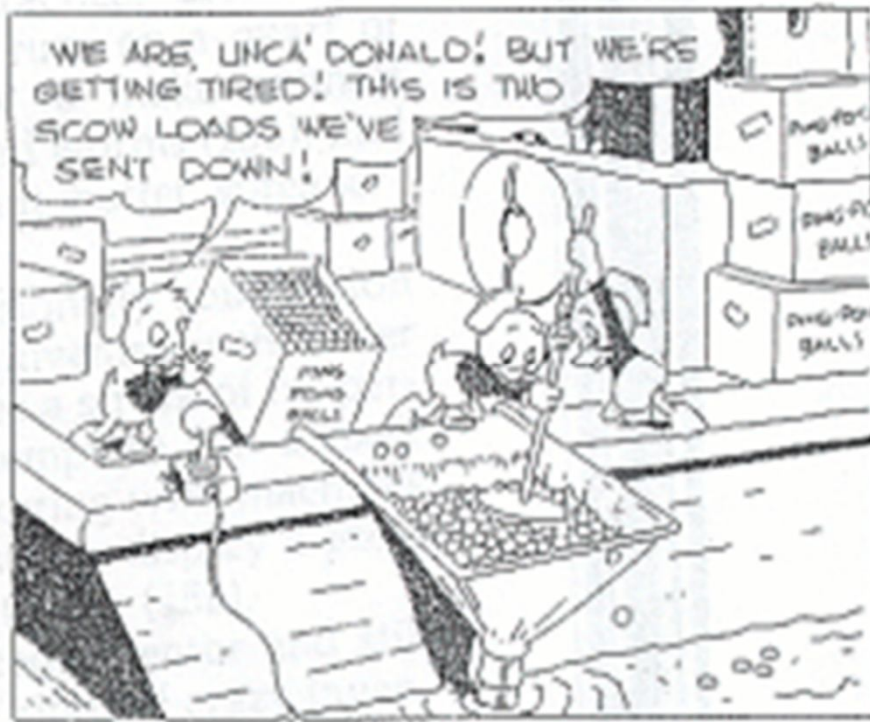
# Don't take granted patents for granted (12)

NL 6514306

"buoyant bodies 1 are inserted into a sunken vessel 4 through a tube 3 from a salvage ship 2."



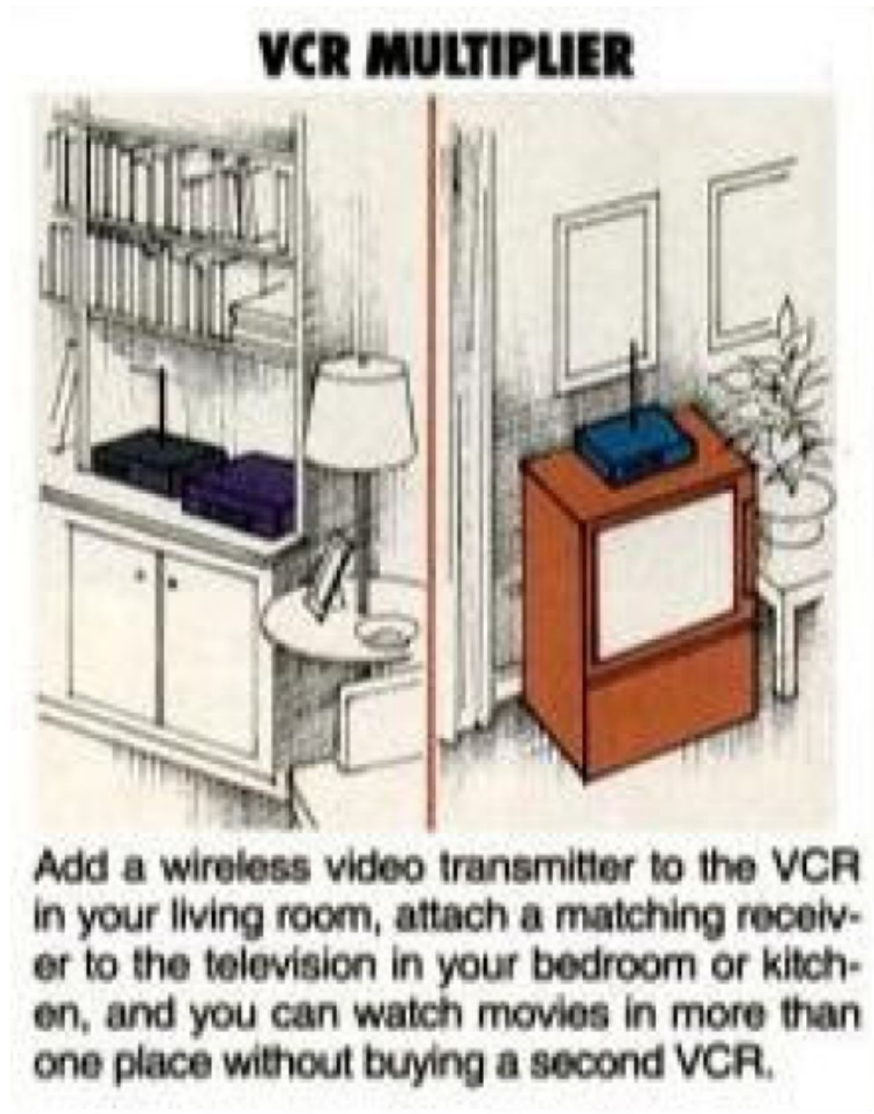
# Don't take granted patents for granted (13)



'The Sunken Yacht', © 1949 Walt Disney

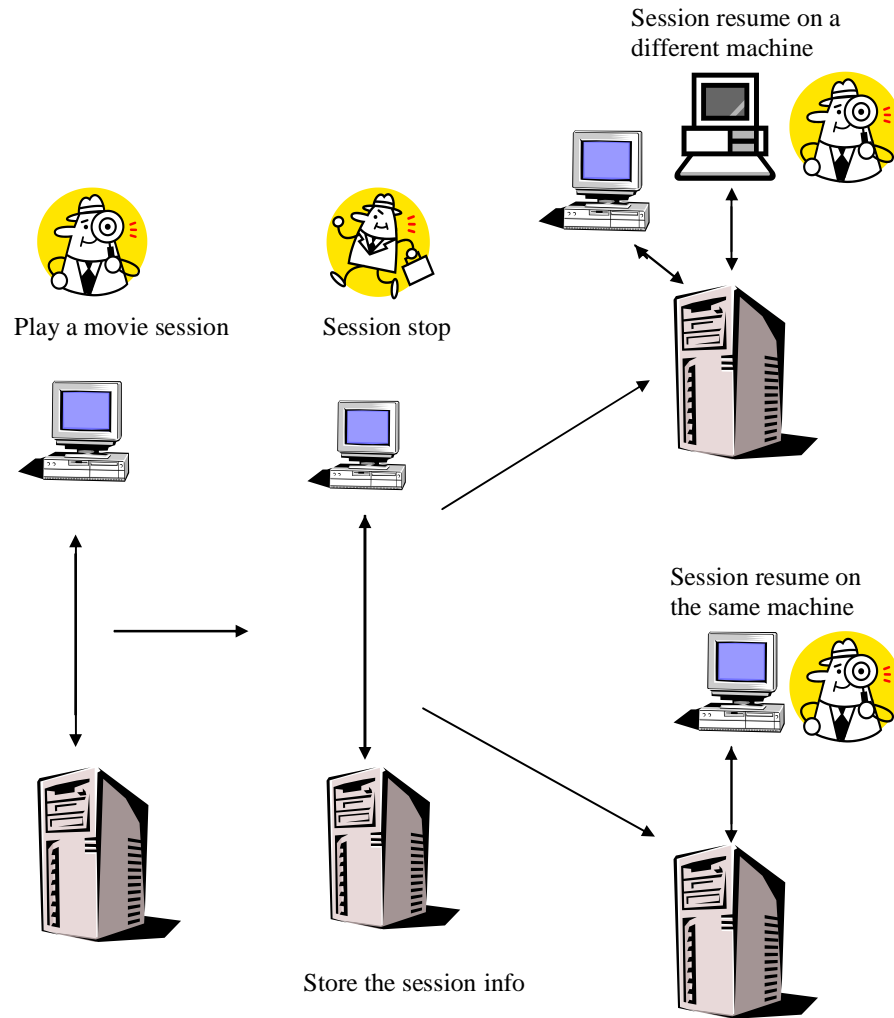


# Don't take granted patents for granted (14)



Amy Charlene Reed, "Room to room video", Popular Science, May 1991, p. 98

# Don't take granted patents for granted (15)



Bo Zou, "Mobile ID Protocol: A badge-activated Application level Handoff of a multimedia streaming to support user mobility", August 2000, p. 10



# Don't take granted patents for granted (16)

- President of Antwerp Commercial Court decided (3 April 2012) that
  - patent is invalid
  - Rovi had committed an unfair trade practice and issued an injunction prohibiting Rovi from (i) sending cease-and-desist letters in which it does not specify which claims of which patents it deems to be infringed by which acts and (ii) thereafter refusing to clarify when requested to do so by Telenet under a penalty of 250.000 EUR per violation of the order



When possible, shop  
for the right forum

# Choose the right forum (1)

- IP litigation often extends beyond the borders of one country
  - Rights granted in several territories
  - Infringement taking place in several territories (distribution of infringing goods, offer for sale, manufacture, transit etc...)
- In the EU, IP rights are harmonized to a certain extent but some differences still remain :
  - Approach of the courts in applying harmonized concepts (e.g. copyright in BE/FR versus Italy/Germany)
  - Approach of the courts to IP rights generally (e.g. countries seen as more patentee friendly (eg DE,NL) than others (UK))
  - Country-specific “perks” (e.g. BE broad, fast and easy “saisie-description”, UK depth of the discovery and witness statements, DE fast and easier injunctions, etc...)
  - Country-specific “traps” (e.g. UK “unjustified threats”)

# Choose the right forum (2)

- And of course : the costs
  - Cheaper to litigate in BE/NL than in UK/DE
  - And different recovery systems if you prevail !
- Article 14 of the Enforcement Directive :

## *Legal costs*

*Member States shall ensure that reasonable and proportionate legal costs and other expenses incurred by the successful party shall, as a general rule, be borne by the unsuccessful party, unless equity does not allow this.*

- In Belgium :
  - Successful party in defending a patent infringement claim (injunction) and in counterclaim for invalidity
  - Gets maximum 11.000 (22.000 with appeal) for attorney fees
  - Nothing for technical experts/patent attorneys
  - Art. 1022 Code of civil procedure / Act of 21 April 2007



# Choose the right forum (2)

- Court of appeal Antwerp 26 januari 2015

1. Do the terms 'reasonable and proportionate legal costs and other expenses' in Article 14 of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights ('the Enforcement Directive') preclude the Belgian legislation which offers courts the possibility of taking into account certain well-defined features specific to the case **and which provides for a system of varying flat rates in respect of costs for the assistance of a lawyer?**

2. Do the terms 'reasonable and proportionate legal costs and other expenses' in Article 14 of the Enforcement Directive preclude the case-law which states **that the costs of a technical adviser are recoverable only in the event of fault (contractual or extra-contractual)?**

# Choose the right forum (2)

- If the Belgian system is valid :
  - Nothing changes
  - If you have a strong case, better not do it in Belgium
  - If you have a weak case, better do it in Belgium (and certainly not in the UK)
- If the Belgian system is invalid :
  - Be prepared to show your attorney and technical counsels bills (prepare now for this potentiality)
  - If you are currently involved in an IP case where you have a strong position and substantial costs, remember to ask for your full 'reasonable and proportionate' costs !



# Document IP ownership/assignment



# Document IP ownership/assignment (1)

- Intellectual property is created by humans
- Mostly for a company
- If employee:
  - patents: automatic assignment
  - Copyright: no automatic assignment (except for software)





# Document IP ownership/assignment (2)

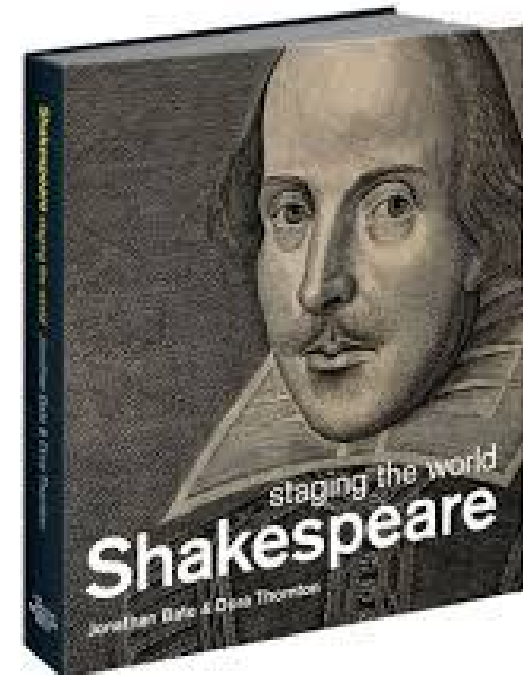
- Computer software
  - Employee deemed to assign rights to employer
  - BUT : restrictive definition of “employee”
  - Cass 3 June 2010:
  - DocToKeep : computer program assisting in archiving and retrieving critical information throughout his organisation
  - Created by Mr. H who was the manager (“gérant”) 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



Not everything  
which is public,  
is public domain

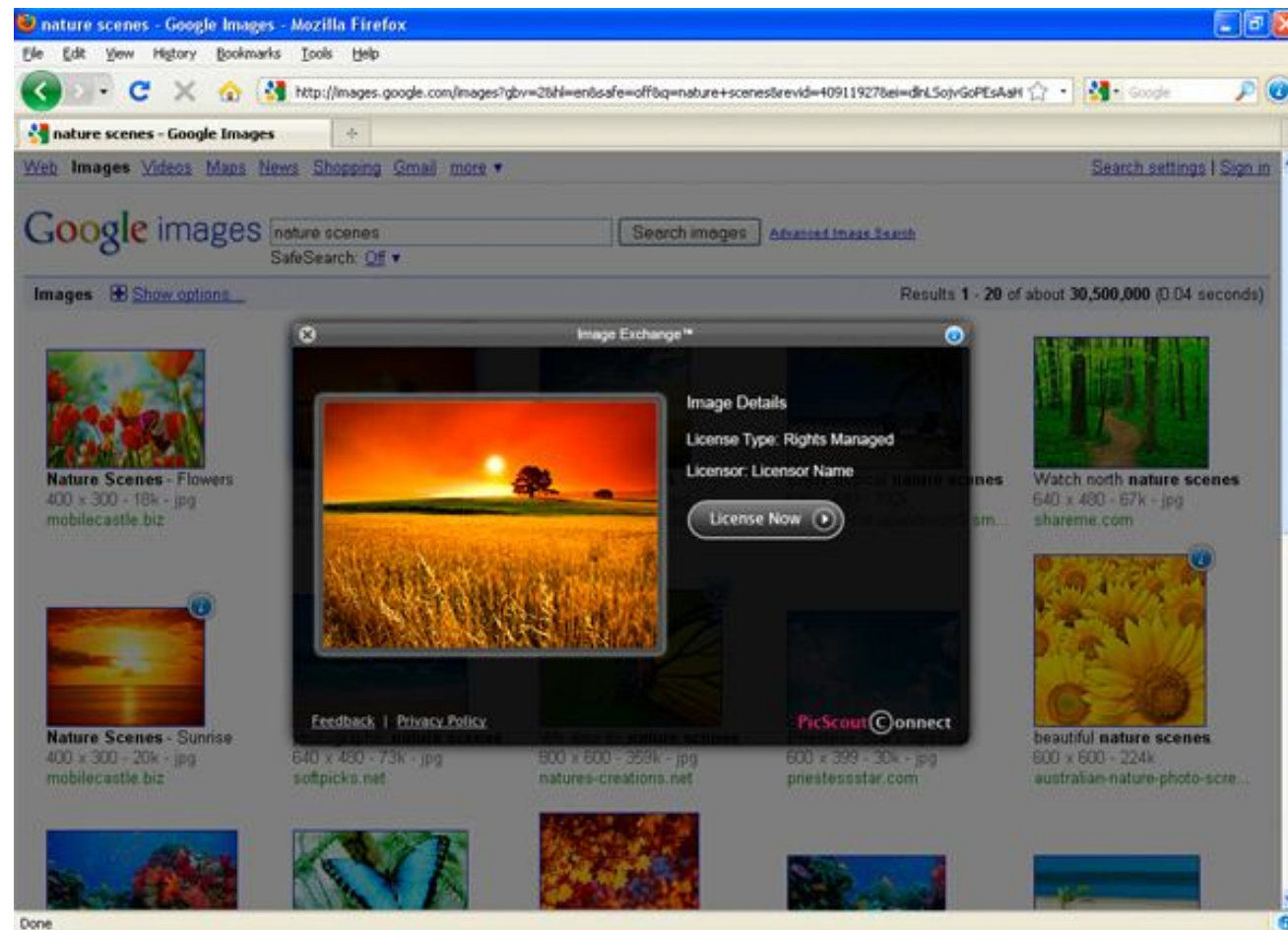
# Not everything which is public, is in the public domain (1)

- What is public domain ?
  - Creations that are not original enough or that are too old
  - Europe: 70 years post mortem / US:



# Not everything which is public, is in the public domain (2)

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



# Not everything which is public, is in the public domain (3)

- 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 September 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;



# Choose your name carefully

# Be careful when choosing a name (1)

- Any sign capable of distinguishing the goods or services of one undertaking from those of other undertakings
- All sorts of signs:
  - Words
  - Figurative signs
  - Combinations of words and figurative signs
  - Packaging
  - Shapes
  - Sounds
  - Colors
  - ...

# Be careful when choosing a name (2)

- (invented or existing) words, numbers, names, slogans, etc.
  - Apple
  - Mercedes
  - BMW
  - X3
  - 501
  - Eddy Merckx
  - Mannen Weten Waarom
  - ...



# Be careful when choosing a name (3)

- Logo's, pictures, designs, portraits



# Be careful when choosing a name (4)

- Combinations of words and figurative elements



# Be careful when choosing a name (5)

- Packaging



« Het merk bestaat uit het beeld van het geheel van een cilindrische verpakking, zoals afgebeeld, gezien vanuit verschillende hoeken, inclusief de vorm »



# Be careful when choosing a name (6)

- The shape of goods



# Be careful when choosing a name (7)

- Colors and color combinations



Red Bull



Deutsche Telekom



Kraft

# Be careful when choosing a name (8)

- Sounds, jingles



Nokia



Vodafone

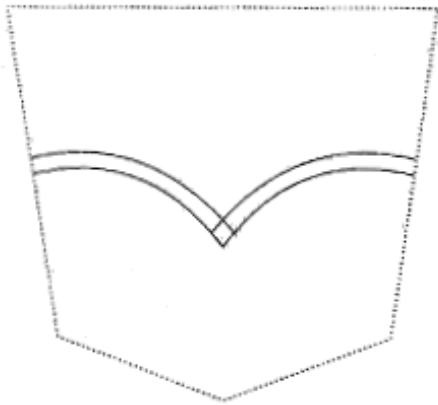


McDonald's



# Be careful when choosing a name (9)

- Position marks



The design of two curved lines positioned in the design of a pocket



The trademark consists of the colour red (Pantone 18.1663TP) applied to the sole of a shoe as shown (the outline of the shoe is therefore not part of the trademark but serves to show the positioning of the trademark)

# Be careful when choosing a name (10)

- Any sign capable of distinguishing the goods or services of one undertaking from those of other undertakings

## 1/ DISTINCTIVE CHARACTER :

- Some signs cannot function as a trade mark because they designate a characteristic of the goods/services concerned
- Is a relative concept: descriptive for certain goods or services but not for others



OK for computers  
Not OK for fruit juice





# Be careful when choosing a name (11)

## 2/ AVAILABILITY :

- No similar earlier trade marks which have been registered/used for similar products/services
- Available to all:
  - Benelux (<http://register.boip.int/>): 3 registers (BX – International – CTM)
  - CTM ([oami.europa.eu/CTMOnline/RequestManager/en\\_SearchBasic](http://oami.europa.eu/CTMOnline/RequestManager/en_SearchBasic))
  - EU (<http://www.tmview.europa.eu/tmview/advancedSearch.html>): 37 countries
  - WIPO (<http://www.wipo.int/romarin>)
  - Company names (<http://kbopub.economie.fgov.be/kbopub/zoekwoordenform.html>)
  - Domain names ([www.dns.be](http://www.dns.be), [www.eurid.eu](http://www.eurid.eu), ...)
  - Search in Google!
- Professional databases (Saegis, Edital,...)



# Be careful when choosing a name (12)

## 3/ THINK INTERNATIONAL

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

Thank you for your attention...