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qLegal Toolkits
Overview of IP Rights

The aim of this toolkit is to provide an overview of legal Intellectual Property Rights (IPRs). A short introduction will set out some basic definitions and the toolkit will then explain different IPRs comparatively. The toolkit covers essential areas – namely what matter is protectable and practical considerations related to ownership.

Intellectual Property: a short introduction

What is Intellectual Property?

Intellectual property (IP), very broadly, means the legal rights (IPRs) which result from intellectual activity in the industrial, scientific, literary and artistic fields. These works, such as a piece of music, an invention, a piece of software or a brand can be owned as property. Intellectual Property Law regulates the creation, exploitation, expiration and assignation of such rights. Taking the example of a soft drink, it will have IPRs over the trade secret of the preparation of the relative compound, the design of the bottle, the trademark that includes the soft drink name (®) and its brand Logo. There might be jingles attached to the advertisement which may be also protected by copyright.

Why IP Law?

IP Law was created in order to regulate IPRs which are intangible and quite difficult to protect. Different from a physical good, an intellectual product can be used by anyone without prejudicing the owner (public and non-excludable good). For example, if a thief steals a bicycle, he excludes the owner from using it, whilst downloading a film does not prevent anyone from legally reproducing it. In order to protect such works and the owner's investment in creating them, these rules grant the IPR owner the right to exclude others from using the intellectual property, thereby ensuring that only the owner derives an economic benefit from their exploitation.

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What do IP rights confer?

The owner of an IPR has control over it and would expect to be rewarded for its development and use, by way of a royalty system. IPRs can be bought, sold, hired or licensed. The IPRs confer rights to the owner to exclude others from using the IP. These rights are conferred only for a limited term. However, not every intellectual creation is covered by IPRs. The area that is excluded from protection is called the Public Domain, i.e. anything that is not protected under IP Law is the property of the public, such as parliamentary legislation court judgments and ideas. With respect to ideas, they are in the public domain unless there are other circumstances that warrant their protection, for example under trade secret and patent regulations.

What types of IPRs are there?

The IP rights are:

1. Copyright: Copyright protects cultural goods such as writings (books), paintings, songs, films and computer programs;
2. Trademark: Trademarks protect designations of origin. They are used for brand recognition. They can apply to services or goods and allow distinctions to be made between different businesses;
3. Patents: Patents protect inventions and cover products or processes that include new functional or technical aspects;
4. Industrial Design: Industrial Design protects the design and specifications that optimize the function, value and appearance of products and systems for the mutual benefit of both user and manufacturer.

Copyright

What is protected by copyright? What are the rights conferred to the owner?

The purpose of Copyright is to provide protection of works derived from the author's creativity. In particular, they are: literary (i.e. autobiographies), dramatic, musical (i.e. songs) and artistic works (i.e. photographs, sculptures, craftsmanship) as well as sound recordings, films or broadcasts and typographical arrangement of published editions[1]. In order to extend copyright protection, computer programs, preparatory design material for a computer program and databases have been included within the notion of a literary work. For these categories, protection is granted

[1] UK Copyright, Designs and Patents Act 1988 (UK CDPA 1988), Section 1 ff.

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equally across the European Union[2]. Note that so-called Open Source software is also protected by copyright and is governed by its software license. Although such Open Source licenses do tend to provide broad use rights, and are often free of charge, care should be taken when using for development purposes, since disclosure requirements may exist under the terms of the license. In contrast, freeware software is not covered by copyright as its owner has relinquished its copyright.

Who is the owner of copyright?

The general rule is that the author of a work is the owner of it. In the case of sound recordings, films, broadcasts and typographical arrangements the authors are respectively the producer, the producer and principal director, the broadcaster and the publisher. Finally, in the case of computer-generated works, the author is the person who made all the arrangements required for the creation of the work. However, there are some exceptions. In case of a joint work – i.e. a work derived from the collaboration of two or more people and whose contribution cannot be distinguished – the ownership will be jointly split. On the other hand, in case of work made by an employee in the course of an employment, the employer will be the first owner. On the contrary, in the case of a commissioned work - for instance, a painter who draws a portrait for a client – the creator is considered as the first owner.

What are the rights conferred by copyright? What are the terms of protection?

Copyright confers a bundle of economic rights, which include: (i) carrying out and issuing copies of the work; (ii) lending or renting copies thereof; (iii) showing, performing, communicating the work to the public; and (iv) making an adaption of it, including translation of the work. Copyright also provides a protection of moral rights, and notably: (i) the paternity right (i.e. to be identified as the author of a work); (ii) the integrity right (i.e. to oppose to any modification, distortion and mutilation of a work); and (iii) the right of not having false attribution (i.e. to object to whoever pretends to be the author of the work). These rights deal with the reputation and personality of the author. The duration of copyright is the life of the author plus (i) 70 years for literary, dramatic, musical, artistic works and sound recordings and films from their publishing; (ii) 50 years for broadcasts; and (iii) 25 for typographical arrangements.

What are the requirements to obtain protection?

[2] Directive 2009/24/EC of the European Parliament and of the Council of 23 April 2009 on the legal protection of computer programs and Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases. For more information see http://europa.eu/legislation_summaries/internal_market/businesses/intellectual_property/index_en.htm.

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Copyright protects the expression of an idea rather than the idea itself. The protection arises where the work is original. In the UK, a work is protected as long as it has been created with skill, judgement and labour. In a nutshell, a work is original where it is not copied (either in quantitative or qualitative terms) and the author employed notable skill, time and effort. The approach is moulded according to the characteristics of different types of work (e.g. computer and databases).

Are there any formalities required in order to obtain protection?

Copyright protection does not require any type of registration or application. The only condition stipulated is the fixation on a support. In other words, it means that a work is protected when the work is embodied in a permanent work (i.e. tape recording, writing etc.). The requirement of fixation is quite relevant for works which may subsist in forms other than material (i.e. literary and dramatic works). In this case, in order to receive protection, the work must be recorded or embodied even by a third person with or without owner's authorisation. For example, in case of a theatre play or a fireworks display, they are eligible of protection inasmuch as they are recorded by unauthorised third parties, who might be sued. Finally, in case of works which are able to change form (e.g. kinetic works), the fixation requirement is satisfied as long as it has been recorded, independently of the subsequent shifts.

Trademark

What is protected by trademarks?

The scope of trademarks is to offer protection to owners for their designations of origin as well as their reputation. A trademark can cover goods and services. It operates as an indicator of origin by way of an association between a product or service and the trader of that good or service. There are different types of trademarks:

i. Classical - cover one undertaking;
ii. Certificative marks - which protect the goods or services meeting defined standard or precise peculiarities; and
iii. Collective marks - which are owned by an association and aims to distinguish the good or services of a member of the association.

Certificative and collective marks are used mainly outside EU (USA, Canada and Australia) as they are opposed to the system of geographical indication developed in Europe and protecting products manufactured in a certain limited geographical area (e.g. Prosciutto di Parma – Parma Ham)[3].

[3] See http://ec.europa.eu/trade/policy/accessing-markets/intellectual-property/geographical-indications/.

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Who is the owner?

The general rule is that the owner of a trademark is the person who registers it (the applicant). However, in case a trademark is owned by two or more parties (i.e. co-ownership), each party is entitled to equally use it, unless a contract stipulates otherwise. In the case of an unregistered trademark the proprietor may be considered as the person using it in connection with goods and services traded.

What is the term of protection?

A trademark shall be registered for a period of ten years from the date of registration. Registration may be renewed for further periods of ten years. The registration of a trademark may be renewed at the request of the proprietor, subject to payment of a renewal fee. However, it may be revoked due to a five-year period of non use and if it has become generic (i.e. users associate the brand to a general category of goods or service and the trademark loses its distinctiveness).

What are the requirements to obtain protection?

A trademark should satisfy three requirements: (i) being a sign; (ii) capable of being represented graphically; and (iii) capable of distinguishing a good or service of an undertaking from another one[4]. In relation to the first requirement, a colour, a shape, letters, designs, numbers and packaging, as well as sounds, smells and tastes fall within the broad category of a sign. In the case of shapes, further conditions connected to nature and functionality are required (for example, a normal shape of a shaver cannot be considered a trademark as it is necessary to obtain the technical result for which it has been created for). The second requirement sets out that a sign must be represented. In relation to this aspect, some problems may arise in relation to sounds, smells and tastes. Thirdly, a trademark must distinguish the origin of a good or service coming from a particular undertaking**.**

Are there any formalities required in order to obtain protection?

In order to obtain protection, a trademark needs to be registered.[5] In the UK, three possible routes are available. The first is the national one, which takes place at the UK Intellectual Property Office (UK IPO)[6]. After the filing and the payment of fees, the application is examined, published and after three months from the application the trademark may be granted. Along with this procedure, there is an EU Track, which is carried out by the Office for the Harmonisation of the Internal Market

[4] UK Trademarks Act 1994, Section 1.
[5] For more information see http://www.itma.org.uk/.
[6] UK Trademarks Act 1994, Section 37 ff.

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(OHIM). This route allows the applicant to obtain protection across all EU Member States (Community Trademark)[7]. The phases of this procedure are slightly different from the UK ones. The third route (under the Madrid Protocol[8]) permits a person to obtain several registrations by only one application, filed in a national office (e.g UK IPO) and then transmitted to the World Intellectual Property Organization (WIPO) office. At a practical level, the registration allows protection to the trademark in relation only to the service or goods connected to it. If a trademark is not registered, it can benefit from protection in case it has acquired a reputation and goodwill is proven.[9]

Why would an application be rejected?

The application will be rejected when it doesn't meet the requirements mentioned above or where a trademark consists exclusively in a generic indication of kind, quality, quantity, value, geographical origin due to the characteristic of the good or service thereof (for example, it is not permitted to register "purple" as a trademark for a business trading prunes, but it is allowed for a telecommunication company). It will also be rejected when a sign has become customary and when it is filed in bad faith. Furthermore, a trademark cannot be registered if it is similar to an existing one concerning similar or identical goods or services (for example, "purple" cannot be used for another hypothetical telecommunication company).

Patent

What is protected by patent?

Patent law offers protection for inventions. An invention is a concept that is new or improved, or a process that can be used in industry. In other words, it is 'manner of new manufacture'. However, some categories of work which are commonly considered innovative are excluded. For example, mathematical equations, a discovery or a scientific theory are excluded from such a type of protection. Furthermore, in the UK, computer programs as well as medical treatments are not patentable, although they are eligible of protection in the USA.[10]

Who is the owner of the patent? What is the term of protection?

[7] Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trademark, Article 25 ff.
[8] Protocol relating to the Madrid Agreement Concerning the International Registration of Marks (28 June 1989).
[9] This protection is provided at Common Law by the action of Passing-off.
[10] UK Patent Law 1977, Section 1.

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The patent belongs to inventor. The protection expires after 20 years from the "priority date" (i.e. filing date).

What are the requirements to obtain protection?

In order to obtain protection, a patent must satisfy at least three requirements, notably: (i) novelty; (ii) inventiveness (i.e. non-obviousness); and (iii) capability of industrial application[11]. As for the first requirement, novelty, an invention is new as long as it has not been disclosed to the public by way of a previous publication, including the other pending patent applications (in legal terms "State of Art"). Secondly, inventiveness requires that a person skilled in the art – should not be able to come up with the invention by using common knowledge. The last requirement is the industrial application. In other words, an invention is only patentable if it can be the subject of a manufacturing product. For example, the mere discovery of a new type of rock is not patentable**.**

Are there any formalities required in order to obtain protection?

In the UK, there are three routes: (i) National legislation; (ii) European Patent Convention (EPC); and (iii) Patent Cooperation Treaty (PCT). The first two paths have identical procedures. The national track, as well as the EPC one, starts with an application filed at the UK IPO or at the European Patent Office (EPO). The date of filing is called the priority date. After the filing passage, a first summary examination of the application, a publication of the application and a substantive examination follow. At the end, the UK or European Patent is granted and published.

In the EPC case, the patent is granted in all the countries selected with the application. On the other hand, the procedure stipulated by PCT[12] permits the applicant to file his or her application in one country and continue it in another (after the first examination phase) in order to seek protection. For example, an inventor may apply for a Patent in the UK and then obtain it in Canada, the UK and Italy. The tracks are quite distinct and there are some practical implications to consider such as cost, time and effectiveness.

Industrial Design

What is protected by design?

Design protects the physical appearance and visual appeal of products, in particular the lines, contours, colours, shape, texture and patterns of the product; from the shape of a take-away cup to the body of a jet.

[11] UK Patent Act 1977 Section 3 ff and European Patent Convention Article 54 ss.
[12] For a list of applicable Countries see http://www.wipo.int/pct/guide/en/gdvol1/annexes/annexa/ax_a.pdf.

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Who is the owner of industrial design? What are the terms of protection?

The author (the one who created the design) or proprietor of the design is the owner of the right. The protection expires after 15 years from the date of creation (for UK unregistered design), 3 years from the date when the product was made available to the public (for EU registered design) and up to 25 years by renovating its registration every 5 years (for EU and UK registered design).

What are the requirements to obtain protection?

Any such design to be protected must be new (no other identical design is made available to the public) and must have an individual character (overall impression capable of distinction from previous existing designs by an informed user). For example, shape of rival soft-drinks companies' bottles can be readily differentiated. The others excluded from protection are:

- Articles designed to interface with other articles;
- Designs that are methods or principles of construction;
- Surface decoration; and
- Any design in violation of public policy or principles of morality.

Are there any formalities required in order to obtain protection?

The right in the design arises automatically as soon as a design is created by producing a design drawing or making first prototype (both at EU[13] and UK[14] level). Alternatively, a design can also be registered. The application is made by the owner of the design to the Design Registry (UK Patent Office) and includes two identical representations of design (including an optional explanatory description), a statement as to the product which the design is to be applied and partial disclaimer (optional) identifying the features of appearance for which protection is sought. Finally there must be a declaration signed to the effect that the applicant believes that the design is new and has individual character. Under the EU route a similar procedure is prescribed and it offers protection across all Member States.

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[13] Council Regulation (EC) No 6/2002 Of 12 December 2001 On Community Designs.
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