

Intellectual property

Whether your business relies on innovative new products or just the strength of your reputation, it almost certainly involves some intellectual property. You need to use your own intellectual property as effectively as possible while avoiding infringing others' rights to theirs.

You do not need to be a legal expert to do this. You do need to know what the options are and how to choose the most appropriate protection. This briefing explains:

- What you need to do about intellectual property.
- How patents, design right and registration, copyright and trade marks work.

1 Protection

If your business involves any form of intellectual property, you need to review whether any of it is, or should be, protected.

1.1 There are four main kinds of **intellectual property** which can be protected.

- Inventions, which you may be able to patent (see **2** and **3**).
- Designs, which can be protected by design right or by design registration (see **4**).
- Things like publications and recordings, which can be protected by copyright (see **5**).
- A name or symbol for your product or service, which can be protected with trade mark registration (see **6**).

1.2 If the intellectual property is already protected by **someone else**, you will not

be able to protect it.

- They will be able to take legal action against you if you infringe their rights.

Finding out what rights others have can avoid expensive mistakes (see box, page 2).

1.3 The rights for new intellectual property generally belong to whoever **created** it.

- Rights can be transferred to someone else (eg by selling them).
- Intellectual property created in the course of a job generally belongs to the employer.

However, moral rights exist for those who have created something on behalf of someone else.

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1.4 If you have the rights to any intellectual property, you must decide whether it is **worth protecting**.

- There is no point in paying to patent an invention, for example, unless it is commercially viable.
- Obtaining legal protection can be expensive and time-consuming.

Some limited forms of protection are automatic and free (eg copyright).

- You must be prepared to enforce your rights, possibly risking expensive litigation (see **Litigation and insurance**).

The intellectual property rights of small businesses and individuals are especially likely to be ignored. You will have to discover and prove the infringement.

2 Patents

An invention — a new machine, product or process — can usually be protected with a patent. This allows you to stop others making, using or selling your invention for up to 20 years.

2.1 Is it an **invention**? It must be some kind of device, product or process which can be used in a practical activity (eg industry or agriculture).

- Innovations such as decorative designs cannot be patented, but can get design protection or copyright (see **4** and **5**).

Avoiding expensive mistakes

A A **patent search** (see **3.3**) will reveal existing patents and applications that might affect your invention.

You may then be able to modify your product to distinguish it.

B A **trade mark search** (see **6.3**) will avoid conflict with names (etc) which are already protected.

Having to rename and relaunch a product because its name infringes the rights of another business is expensive and damaging to your reputation.

C **Questioning** the creators of products, marketing plans and so on about their sources may reveal possible problems.

For example, if they have used copyright material or others' trade secrets.

2.2 Is it **new** and not obvious?

- You cannot patent something which is already publicly disclosed (eg by sale or demonstration) or which would be obvious to someone who is well informed and experienced in that area.
- Prior to applying for a patent, only provide other people with information about your invention in strict confidence.
- Your invention must not be a 'trivial' variation. Does it provide a clear advantage over what is already known?

3 Obtaining patent protection

3.1 Most businesses use a **patent attorney**. A patent is a complex legal document.

A patent attorney can help draft the specification and process the application.

- The Chartered Institute of Patent Attorneys (020 7405 9450 or www.cipa.org.uk) runs free clinics and provides lists of attorneys.
- Many attorneys will offer a free consultation.
- Typical costs start at around £800 for preparing the initial application (see **3.2**) and from £3,000 to complete the full UK patent application process. The more complex the technology, the higher the costs will be.
- The more preparation you provide (eg description, drawings, information on existing products), the lower the cost.

3.2 Before starting to exploit the invention, you must 'file' (submit) an **initial application**.

- The initial application is free and contains a request for a patent, a description of the invention and your name and address. Download the UK Intellectual Property Office's 'Patents Application Guide' from www.uk-ipo.org.uk/p-apply.pdf.
- At this stage, only the title of your application is made public (not the details).
- Within 12 months, you must also send the UK Intellectual Property Office details of the technical 'claims' which define the invention you are seeking to protect. You can use this time to research the viability of your invention, or to modify it.
- If you are unsure whether it will be worth getting a patent, you can file the initial application yourself. A patent attorney can usually 'rescue' the application later, if you want to proceed. But if your initial application is badly drafted, it may limit the scope of the patent you can obtain, or you may not be able to get a patent at all.

Though the formal process of getting a patent can take up to four years, you do have a monopoly right from the day your application is filed.

3.3 At any time during the 12 months from the filing date, you can pay an application fee (£30) and for a **preliminary search** (£100)..

- The UK Intellectual Property Office Examiner will check your application and will also produce a 'search report', listing documents that have a bearing on whether your invention is new.

3.4 Within six months of publication, you pay £70 for a full **examination** of the application.

- If there are problems, you can amend it.

3.5 The full process of **obtaining a patent** usually takes three to four years, but can be accelerated if necessary.

- Once a patent is granted you can maintain it for up to 20 years from the filing date.
- Five years after filing, you start to pay annual renewal fees. These are currently set at £50 for year five, gradually increasing to £400 for year 20.

3.6 Your patent can still be **challenged** in court.

The patent can be amended or revoked if it is shown that the idea was obvious or not new when the original application was filed.

3.7 By applying in writing to the UK Intellectual Property Office you can obtain an **opinion** regarding the validity or infringement of your own patent or another person's patent, without having to disclose why.

This new opinions procedure costs £200 and takes around three months. The opinion is not binding but may limit the need to go to court by helping to settle issues in dispute.

3.8 Your UK patent only protects your invention **in the UK**. You are protected from imports but have no protection when you export.

- Ask your patent attorney about European and other foreign patents (at extra cost) if you need protection in other countries.

4 Design protection

New designs — for the shape or appearance of an article — can be protected by 'design right' (similar to copyright) or by 'design registration'.

4.1 Some designs do **not qualify**.

- Designs that are purely functional cannot be protected in this way (but might be suitable for patenting).
- Designs that are determined by the need to fit or match another article (eg spare parts) cannot get design protection.

4.2 Design right gives limited but automatic protection for a new design. You do not have to apply for design right.

- Keeping evidence of the creation and date of the design will help if you later need to defend your design right.
- Design right lasts for ten years after you first market articles using the design (subject to a limit of 15 years from the creation of the design).
- Two-dimensional designs do not get design right, but get copyright (see 5) and may be registered (see 4.3).

4.3 Design registration gives stronger protection and will make it easier to defend your rights, if necessary. It is specifically concerned with the appearance of all or part of a product.

- You must apply to the UK Intellectual Property Office.
- The design must be new, have an individual character and not be publicly available or published anywhere in the world at the time you apply for registration. However, these requirements differ from country to country so take professional advice before the design is made public.
- You can get help from a patent attorney or make the application yourself. Ask the UK Intellectual Property Office Central Enquiry Unit for application forms and the brochure 'Design Registration' (see 6.3).
- Design registration lasts for an initial five years and can be extended up to 25 years. Initial fees are £60 for a single application. For multiple applications the first design is registered at £60 with subsequent designs on the same application registered at £40.
- Extending the design registration currently costs £130 for the second five years and increasing amounts after that.
- Deferring a design registration for up to 12 months will cost an additional £20, to be paid when publication is requested.

You can apply for a Registered Community Design to protect your design throughout the EU. Get more information at www.oami.eu.int/en.

5 Copyright

Copyright protects the creators of original text, artwork, recordings, films and computer programs, whether published or not.

5.1 Copyright is **automatic**.

- You control the rights to copy, perform, broadcast or adapt your material. Limited use of the material without your permission is still allowed for private study, for reviews and for teaching in schools.
- Copyright for literary, dramatic, musical or artistic works, and computer programs, lasts for 70 years after the author's death. Copyright for other material lasts 25, 50 or 70 years.
- Under international conventions, copyright covers most countries.

While employees or contractors may not own the copyright in work carried out, they retain moral rights, which can be enforced if they consider use of the work to be derogatory.

5.2 Copyright can be difficult to **enforce**.

- Adding the copyright symbol © or the words 'copyright — all rights reserved' and your name and the year of creation to the material is not required. But it can be a useful way of emphasising that copyright exists, and it is essential in some countries.
- Keeping copies of the work originally created, and dated records of disclosures to other people, is important.
- Proving that a different (adapted) work is a breach of your copyright can be difficult.

6 Trade marks

Trade marks are used to distinguish your product or service from other, similar goods or services.

6.1 Unless you **register** your trade mark, it can be difficult to prevent other businesses from using the same mark or a similar one. A competitor who has registered a similar mark could even stop you using yours.

- Before using a trade mark, you should have

a search carried out to see if you are free to use it.

- You can then file an application to protect your interest in the mark.

6.2 There are some registration **restrictions**.

- In general, a mark cannot use words other traders should reasonably be allowed to use (eg purely descriptive terms).
- A mark must not be deceptive or be easily confused with another registered mark.

6.3 Applications for UK registration are filed at the UK Intellectual Property Office's Trade Marks Registry.

- The initial application contains details of the mark and the goods or services it will be used for, and must be accompanied by the appropriate fee (from £200). Contact the UK Intellectual Property Office Central Enquiry Unit for information and application forms (08459 500505).
- An examiner will search to see whether any conflicting marks have already been registered and send you the results. Once you have received the examiner's report you have two months to decide whether to continue, amend or withdraw the application.
- The application is then published and is held open to third-party objections for three months.

After this period, once any objections have been resolved, the mark can be registered.

- Most businesses use trade mark attorneys for their applications. Contact the Institute of Trade Mark Attorneys (020 8686 2052). Typical costs are £700 to £1,000 for the full process, depending on the complexity of the application and how many types of goods or services the mark will cover.

6.4 Registered trade marks can be **renewed** indefinitely.

- After the first ten years, you have to pay a renewal fee (currently at least £200), for each subsequent ten-year period.
- Trade mark registration can be overturned by competitors if a mark is not used for five consecutive years.

You can apply for a Community Trade Mark to protect your mark throughout the EU.

Further help

There are other Directors' Briefing titles that can help you. These briefings are referred to in the text by name.

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