



Protecting your ideas

RESTRICTING COMPETITOR ACCESS TO YOUR MARKET PLACE

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Disclaimer: *The information contained in this guide is not meant as a substitute for professional legal advice. Its main purpose is limited to providing basic information on the subject matter).*

1. Acquiring the most appropriate IAs for the task

There is a significant legal difference between the monopoly rights acquired by registering:- a trademark to protect a brand, a patent to protect a technological invention and a design to protect the ornamental or aesthetic aspects of a product **and** the exclusive economic rights automatically acquired, for example, in a created work under copyright. Copyright in computer software will protect against unauthorized copying or use of the source code, object code, executable program, interface, user's instruction manuals but not the underlying functions, ideas, procedures, processes, algorithms, method of operation or logic used in the software. Copyright in general does not protect facts or information only the manner of their expression, selection or arrangement. Names, titles, slogans and other short phrases are generally excluded from copyright protection.

Registering a trademark will give your business a controlling monopoly over the mark's use within the designated territory.

Registering a patent will give your business a controlling monopoly within the jurisdiction over those claims made for your technology, as contained within the Claims section of your patent. Your claims determine the scope of protection of your patent and are absolutely critical since, if they are badly drafted even a truly valuable invention could result in a commercially worthless patent that is easy to circumvent or design around. How to interpret the wording of your Claims section is a matter of law and may vary from jurisdiction to jurisdiction. It is important to note that a patent is not intended to give the owner a freedom of use or the right to exploit the technology contained within the patent but rather the right to exclude others. Whilst this may seem a subtle distinction, it is essential in understanding the patent system and how patents interact with each other. In fact, patents owned by others may overlap, encompass or complement your patent. Your business may, therefore, need to obtain a license to use other people's inventions in order to work your own patented invention and vice versa (*opportunities may exist here for a cross-licensing arrangement*).

Registering a design will give your business a controlling monopoly within the jurisdiction over products manufactured to that design and in some jurisdictions to digital designs as well. The registration of the design will give your business the right to prevent any unauthorized copying or imitation of your industrial design. Unlike copyright ownership in a design commissioned from an external source e.g. a consultant, is likely to reside with the company commissioning the design. Some countries provide for a 'grace period' before registration.

Given the short life cycle of some products e.g. fashion garments, provision is sometimes made for the automatic protection of the design for a shorter period under an automatic 'design right' e.g. European Union.

2. Policing & Enforcement of your IAs

There would appear to be little commercial merit in acquiring the legal tools to restrict competitor access to the commercial market place if your business has neither the resources nor inclination to exercise these monopoly rights.

It is important to recognize that some IAs may become lost to your business if you are aware of their unauthorized use and do not seek to enforce them against such infringement.

'Licensing through litigation' or the threat thereof has had much adverse publicity (note the derogatory term 'patent troll') but the policing of your IAs is likely to offer opportunities for licensing & cross-licensing (*potential clashes between registered trademark holders and passing off claimants can be amicably resolved in this fashion*).

Resource limitations to fund an action to enforce your IAs may be addressed through the provision of IP insurance (*USA is likely to be excluded from such insurance cover given the litigious nature of the jurisdiction but a "no win, no fee" contingency type representation may be available in this and other jurisdictions to mitigate the financial risk*) but any IAs infringement action is likely to involve your company and/or you in person taking a significant financial risk.

Particular issues might arise for your business in relation to seeking an appropriate remedy for the breach of confidence of a trade secret where the nature of the legal remedies available may be uncertain and/or of limited practical commercial benefit.

IP Wales finding:

- **mSMEs are more likely to infringe IAs belonging to others than have their own IAs infringed.**
- **Most IAs belonging to mSMEs have a wide market coverage. This could be a problem when companies need to police and enforce their assets. Few mSMEs seem to appreciate that product/market specific IP may offer greater protection.**
- **Few mSMEs seem aware of patent citation analysis(*) as a means to identify potential infringement cases. Such analysis is usually undertaken using proprietary software.**

(*) Forward citation analysis = future patent applications/examinations citing the subject patent.

Backward citation analysis = previous patents cited under the subject patent and their citations.

Collateral citation analysis = patents identified as having an indirect but relevant relationship with the subject patent.

3. Quality of your IA protection

In consequence of your business taking legal action to enforce an IA you can expect the alleged infringer to make a counterclaim against the validity of your IA, thereby putting your business at risk of losing the IA. In consequence enforcement actions, though essential, should only be undertaken with legal advice and with a clear understanding of the potential commercial consequences of the action.

IP Wales finding:

- **mSMEs invariably view the products/services covered by their IP as crucial for their growth and the profitability of their business. The strength of their IAs will be extremely important to these companies.**