

## **DEMYSTIFYING THE WORLD OF INTELLECTUAL PROPERTY**

In today's digital era, it is unsurprising that the exploitation of intellectual property rights can be one of the primary income streams for a business and can be the difference between profit and loss. Intellectual property permeates all industries from fashion to technology and even construction.

However, there is often confusion as to the different types of intellectual property that exist and how to protect it. Generally, it is understood that there are rights attaching to a brand or a particular design or a body of work but under what specific category of intellectual property do rights exist.

This article (i) discusses in simple terms three different types of intellectual property that are often confused and (ii) sets out the top tips for every business owner where intellectual property forms a small or even significant part of their business.

But firstly, let's explore what the concept of intellectual property means.

### **WHAT IS INTELLECTUAL PROPERTY?**

Intellectual property is a broad concept encompassing a body of rights broadly relating to human innovation.

Intellectual property can refer to trade marks, designs, copyright, patents, domain names, confidential information, know-how, trade secrets and more.

Each piece of intellectual property is considered a type of "property". As such, it carries a value and where property has value, it is susceptible to exploitation and therefore it requires protection.

Some intellectual property rights are enshrined in statute while others have developed under the common law. Statutory rights arise from specific legislative provisions enacted by the legislature. Common law rights emerge from a body of judge made law developed over time.

This article focuses primarily on trade marks, designs and copyright.

## TRADE MARKS

### WHAT IS A TRADE MARK?

A trade mark can be a word, phrase, symbol, shape or graphic. However, most importantly it identifies a brand. In particular, it distinguishes the goods and services of that brand from others in the market place.

### WHY SHOULD YOU REGISTER A TRADE MARK?

While a brand owner has some protection in an unregistered trade mark, registering a trade mark provides greater rights to the proprietor of a trade mark in the event of trade mark infringement. If a trade mark is not registered, in order to enforce its rights the brand owner must take an action based on the tort (a civil wrong) of passing off.

This requires the owner of an unregistered trade mark to establish a number of elements when seeking relief before the courts:-

1. That they have an entitlement to bring such proceedings – they have built up and established goodwill and reputation in a particular business or product and own it; and
2. That there has been a misrepresentation of their unregistered right by another to prospective customers; and
3. That this misrepresentation has caused damage to the goodwill and reputation that they have built up in their mark.

However, if there is a registered trade mark, effectively the owner of the mark has a monopoly (within the registered categories of goods and services) on that trademark and therefore does not have the same burden of proof as regards reputation, intention, misrepresentation etc. as that is required in an action based on passing off. The mere existence of a validly registered trademark is sufficient to being infringement proceedings and relief can be sought by way of damages, injunctions, accounts or otherwise.

Evidently, given the much higher threshold to be met by unregistered rights holders in enforcement actions, it is advisable to always seek to register a trade mark.

### HOW TO REGISTER? WHERE TO REGISTER? WHAT TO REGISTER?

- Before embarking on registering a trade mark, it is necessary to **identify what the mark is**. What is considered a trade mark is now more widely construed than ever. However, generally speaking most kinds of signs and words are capable of registration provided they are distinctive, clear and precise. It is now even possible to register a sound!
- **To what goods and services does a mark relate?** This is primarily governed by the Nice classification. This is an international classification applied to goods and services. Classes 1-34 relate to goods. Classes 35 – 45 relate to services. It is possible to apply for registration in as many classes of goods and services as you like in

relation to a product. Of course this is provided that the applicant can demonstrate that the trade mark is used or that there is a *bona fide* intention to use it in relation to a particular good or service – if you don't use it you could lose it! However, it is important for growing brands to consider protecting their brand under a variety of goods and services. Where possible, registrations should be as specific as possible.

- **Thinking outside the box – businesses change and develop.** The types of goods and services offered by any business will develop over time. For example, successful brands may wish to offer merchandise for sale beyond that which was originally contemplated by the associated goods or services.
- **Identifying the market?** With the prevalence of online business, the market place is now more open than ever. For that reason, careful thought needs to be given to where registrations should be obtained. The options are as follows:-
  1. **National** registration - Each jurisdiction has an individual regime for the registration of trade marks and Ireland is no different. If a business is local and the goods or services are likely to be confined to a national level, this is the best registration for that business. Applications are relatively straight forward, cost effective and made to the Irish Patents Office.
  2. **European** registration - For brands with European wide ambitions, the benefit of the European Union Trade Mark (“EUTM”) is that it affords protection in all European Union countries in one single registration.
  3. **International** registration - Businesses with global ambitions may wish to consider registrations beyond Europe. This can be done directly with the relevant office in each jurisdiction of the World Intellectual Property Organisation (WIPO). Provided there is an application or registration in a participating country, WIPO provides a system whereby applications can be made for protection in multiple jurisdictions through one application that is based on a national application or registration. This system is governed under the Madrid Protocol. There are currently 104 members covering 120 countries (figures as of 17 March 2019).

## DESIGNS

Designs are another important category of intellectual property. Like trademarks, copyright and patents, designs are equally an asset of any business capable of being traded or licensed.

### WHAT IS A DESIGN?

Under section 2 of the Industrial Designs Act, 2001 (the “2001 Act”) a design means “*the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colour, shape, texture or materials of the product itself or its ornamentation.*”

## **CAN YOU REGISTER A DESIGN EG THE DESIGN OF A PIECE OF JEWELLERY OR CLOTHING?**

Yes – it is possible, and also recommended, to register designs. In order for a design to be capable of registration under section 11 of the 2001 Act, it must be “*new*” and possess “*individual character*”.

In other words, to be considered “new”, it must differ from and not be identical to any earlier design made available to the public prior to the date of filing for registration ie. it has an element of novelty.

To possess individual character, the overall impression produced by a particular design must differ from the overall impression created by an earlier design which has been made available to the public. In applying to register a design, the applicant must also be the proprietor of the design.

Similar to trade marks, design registrations proceed under a unique product classification system. It is called the Locarno Classification. It is an international classification system divided into 32 general product classifications with various sub-categories of related products. However, not every design is capable of registration.

## **WHAT IS NOT REGISTERABLE AS A DESIGN?**

1. Designs that relate to how a product works;
2. Hidden components within a design that with normal use of the product are not visible;
3. Designs that are contrary to public policy or principles of morality;
4. Designs which would constitute an infringement of copyright.

## **WHY IS DESIGN REGISTRATION IMPORTANT?**

A registered design confers on its proprietor exclusive rights in a particular design which consequently prevents third parties from using it in the course of trade. Crucially, design registrations are evidence of a design right and they therefore allow proprietors to take action in the event of infringement.

Depending on the product, in some instances, design registration is considered more suitable, time and cost effective than applying for a patent provided the design is capable of registration in the first instance.

It is possible in Ireland and internationally to register up to 100 designs in a single application. In Europe, there is no limit.

## **WHAT PROTECTION EXISTS FOR UNREGISTERED DESIGNS?**

European Law provides protection for unregistered design rights. However, the protection afforded to an unregistered design varies considerably to registered designs.

Under European Law unregistered designs have protection for a period of three years from the date of first launch without the need to make an application for registration. It allows the owner to prevent the commercial use of a design but only if the use results from copying. However, if the alleged infringer can demonstrate that they were not aware of the unregistered design there is no infringement. Consequently, the protection afforded to unregistered designs is limited and easily avoided. It is far preferable from an enforcement perspective that a design is registered – mere registration allows enforcement against even those who allege they were unaware of a pre-existing design.

## **WHERE TO REGISTER A DESIGN?**

There are three options:-

1. **National** registration– In the case of Ireland, through the Irish Patents Office.
2. **European** registration – Through the European Unions Intellectual Property Office. The result is a Registered Community Design (“RCD”) enforceable throughout the member states of the European Union.
3. **International** registration- Through the World Intellectual Property Office. This system is governed by the Hague System meaning that under one single application, a design can be registered in 70 countries (figures as of 4 March 2019) who are contracting parties to the Hague Agreement.

## **HOW LONG IS A DESIGN PROTECTED ONCE REGISTERED?**

Once a design is registered, it then has protection for an initial period of five years. It is possible to renew a design up to a maximum of four times. Accordingly, the maximum length of protection for a design is 25 years.

## **BREXIT – HOW IT AFFECTS YOUR TRADE MARKS AND DESIGNS**

While national applications are largely unaffected by Brexit, the future of European and International applications (designating the EU) is somewhat more uncertain. The EUIPO has issued guidance to the effect that as and from the withdrawal day, any EUTM will in principle no longer be protected in the UK. This is of course subject to any conditions established by UK law. This would similarly apply to designs. It is of course hoped that certain transitional arrangements will be put in place prior to withdrawal but this is utterly dependant on the outcome of negotiations which are becoming increasingly impossible to predict. Watch this space!

## COPYRIGHT

Copyright protection is essential - without it copycats could easily exploit the original works of others.

### WHAT IS COPYRIGHT?

Section 17 of the Copyright and Related Rights Act 2000 (the “2000 Act”) best sets out what copyright is – *“a property right whereby, subject to this Act, the owner of the copyright in any work may undertake or authorise other persons in relation to that work to undertake certain acts in the State”*.

According to the 2000 Act, copyright subsists in the following:-

- (a) Original literary, dramatic, musical or artistic works; and
- (b) Sound recordings, films, broadcasts or cable programmes; and
- (c) The typographical arrangement of published editions, and
- (d) Original databases.

Of course this is subject to limitations. Copyright shall not subsist in a work where it infringes the copyright of another or where it is a copy of work previously made available to the public.

### WHO OWNS THE COPYRIGHT?

The author of the work is considered the first owner of the copyright. An author under section 21 of the 2000 Act is generally determined as follows:-

<b>Type of works</b>	<b>Author/Owner</b>
Sound Recording	The producer
Films	The producer and the principal director
Broadcast	The person making the broadcast or in the case of a broadcast which relays another broadcast by reception and immediate retransmission, without alteration, the person making that other broadcast
Cable Programme	The person providing the cable programme service in which the programme is included
Typographical arrangement of a published edition	The publisher
Computer-generated work	The person by whom the arrangements necessary for the creation of the work are undertaken
Original database	The individual or group of individuals who made the database
Photograph	The photographer

Of course, this is subject to exceptions. Under section 23 of the 2000 Act, where any works are created in the course of employment, the employer is considered the owner. We therefore

must be careful to consider the distinction between author and owner while also appreciating that in other circumstances, the concepts are intrinsically linked.

## **IS COPYRIGHT REGISTERABLE?**

Unlike trade marks, designs and patents, copyright is not registerable.

## **WHEN DOES COPYRIGHT COME INTO EXISTENCE**

Copyright comes into existence when the work is created. It is therefore important that the origins of original works are traceable.

## **THE ASSIGNMENT OF COPYRIGHT**

Notably, under the 2000 Act copyright is referred to as a property right. Ownership is specifically set out under the 2000 Act (as already detailed) unless there is an agreement to the contrary. Accordingly, in order for copyright to be effectively transferred there must be an effective assignment. In order for an assignment of copyright to be valid it must be according to section 120 of the 2000 Act:-

- In writing; and
- Signed by the person assigning the copyright.

This is important in the context of who has the right to the use of the copyright.

## **WHY IS BEING THE OWNER SO IMPORTANT?**

As copyright is a property right, the owner of the work can control the use of the work and either authorise or prohibit others from doing the following:-

- Copying the work;
- Making the work available to the public;
- Making an adaptation of the work.

Under section 37 of the 2000 Act, these are known as the “*acts restricted by copyright*”.

## **INFRINGEMENT OF COPYRIGHT**

If any of the acts restricted by copyright are undertaken without licence or authorisation, this is considered an infringement. Infringement may arise in respect of all or part of the works.

Where infringement is found to have occurred, it may result in both criminal and civil sanctions.

There is a defence of innocent infringement available under Section 128 of the 2000 Act but this, where established, only precludes an enforcing party from recovering damages.

It is also worth noting that there are two types of infringement; primary and secondary infringement. Both are actionable. Primary infringement is where the original works have

been copied. Secondary infringement is where a copy of already copied works (being the first unauthorised copy of original works) has been copied.

## HOW LONG DOES COPYRIGHT LAST?

The duration of the copyright protection differs depending on the type of works. The below table is a summary of some of the key copyright protection periods as more particularly set out in the 2000 Act:-

<b>Type of works</b>	<b>Expiration of protection</b>
Literary, dramatic, musical and artistic works or an original database	70 years after the death* of the author, irrespective of the date on which the work is first lawfully made available to the public.
Films	70 years after the last of the following persons dies*:- <ul style="list-style-type: none"> <li>• Principal director of the film</li> <li>• Author of the screenplay of the film</li> <li>• Author of the dialogue of the film</li> <li>• Author of the music specifically composed for use in the film</li> </ul>
Sounds recordings	50 years after the sound recording is first made
Broadcast	50 years after the broadcast is first lawfully transmitted
Cable programme	50 years after the cable programme is first lawfully included in a cable programme service
Typographical arrangement of a published edition	50 years after the date on which it is first lawfully made available to the public
Computer-generated works	70 years after the date on which the work is first lawfully made available to the public

\*There are exceptions to the above. In circumstances where the works were first made available during the protection periods stated above, the copyright period instead of running from the date of death, runs from the date the works were so firstly made available.

## THE INTER-RELATIONSHIP BETWEEN TRADE MARKS, DESIGNS AND COPYRIGHT

Clearly, there is a strong link between these three intellectual property rights. In the one product, all three intellectual property rights may subsist but in different guises.

The owners of intellectual property rights should ensure that they act swiftly in both protecting and enforcing those rights. Equally, there are opportunities to derive commercial benefit through licensing those rights. Here are some top tips:-

1. **Caution when contracting.** The monetisation of intellectual property rights is a very lucrative revenue stream making intellectual property an extremely valuable asset



deserving careful consideration of what rights are authorised, for how long and for how much.

2. **Own the rights.** Having good title to intellectual property is extremely important. This has a bearing on licensing, assignment and enforcement of rights. It is also more attractive to investors in any business.
3. **Register all trade marks.** A registered trade mark is more easily protected against infringement than an unregistered trade mark which is actionable only in passing off.
4. **Register all designs.** A registered design is more easily enforceable. Protection afforded to unregistered designs is limited and enforcement actions more easily avoided.
5. **Claim the copyright.** Ensure that any original works bear the © symbol, who the copyright is owned by, and the date of creation.

## LEGAL NOTICE

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