

# Intellectual Property Rights (IPRs)

## 1 Overview

- Intellectual property rights (IPRs) are acquired for intellectual creations.
- Have developed and evolved since initial 15th century legislation.
- They are national rights.
- Can be either registered or un-registered

- **Brunelleschi:**

The modern concept of patents dates to 1421, Florence, Italy, when the city-state granted the first recorded patent to Filippo Brunelleschi, for the design and use of a ship, the Badalone ("seagoing monster"). The Badalone was intended to ferry supplies up the Arno river to the city for the building of the Florentine cathedral dome, which Brunelleschi was the designer of. Alas, the Badalone sank during delivery of a load of white marble intended for use in constructing the dome.

The Venetian Senate passed the first patent law in 1474, granting limited duration monopoly for original devices. This law embodied the principles of patent protection as we know them.

### 1.1 Registration required

#### 1.1.1 Patents

#### 1.1.2 Trade Marks

#### 1.1.3 Registered Designs

#### 1.1.4 Domain Names

### 1.2 Registration not Needed

#### 1.2.1 Copyright

#### 1.2.2 Unregistered Trade Marks

#### 1.2.3 Unregistered Design rights

#### 1.2.4 Confidential Information

### 1.3 IP systems

Implemented as a two-tier system:

- A national **patent office**: responsible for accepting, processing and granting patent, trade mark and registered design applications: <http://www.patentsoffice.ie/en/homepage.aspx>
- National **courts**: which provide a forum for IPR infringement to be enforced and for IPR validity to be contested.

## 2 Confidential information -

- No registration required
- Must be protected by agreement to keep the information confidential
- Covers anything that has the necessary quality of confidence about it
- Must not be in the public domain.
- **For a duty of confidence:**
  - information must be communicated
  - confidant must reasonably know that the disclosure is made in confidence.
- **For breach of confidence:**
  - there must be a risk of damage from the information being used
  - or disclosed in an unauthorized way.

### 2.1 What for?

- Generally used to protect un-patentable technical and commercial information.
- Including minor details of a manufacturing process that are essential for a commercial product to be obtained.
- E.g.s tolerances involved in the manufacture of an article, and the detailed operating procedures of a machine.
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- *E.g. Ferrari v. McClaren*

### 2.2 How?

- Companies should ensure adequate steps to keep details secret, and make sure that everyone in the organization knows this.

- When negotiating a transfer of technology, it is important not to disclose **know-how** until it is covered by a written agreement. Once published, it is not reasonable to expect anyone to pay for it.
- The existence of know-how is a useful back-up in case a patent is not granted, since it still enables royalties to be charged — even if at a reduced rate.
- If a binding know-how agreement is broken by unauthorized use of the information or by unauthorized disclosure it will be possible to bring a legal action for breach of contract.
- Verbal disclosure can be difficult to prove, common for confidential information to be distributed on media marked as such.
- A non-disclosure agreement (NDA), or confidentiality agreement, should be signed by the receiving party prior to disclosure.
- Breach of confidentiality is typically a breach of contract and dealt with as such by the courts.

### 3 Patents

- A monopoly right in an invention.
- Covers how things work, what they do, how they do it, what they are made from or how they are made.
- Can cover not only such things as an electronic circuit, a chemical product, heavy machinery or a control system, but also small household items such as a tin-opener.
- Also covers processes such as a new or improved process of making a new material or a new method of navigation.

- In certain situations, can also cover software-based inventions

### 3.1 Background

- The origins of patents for invention are obscure and no one country can claim to have been the first in the field with a patent system.
- In the UK (incl. Ireland) , origins can be traced back to the 15th century, when the Crown started making specific grants of privilege to manufacturers and traders.
- The first recorded patent was granted in England in 1449. King Henry VI awarded a patent to John of Utynam for stained glass manufacturing.
- This patent established the notion of a state-granted limited monopoly. There was nothing novel at the time about the art of stained glass making. However, the monarchy recognized the value of protecting certain arts and industries, including those that were imported from other parts of Europe — in this case Italy.
- Starting in 1552, ‘letters patents’, **open letters** marked with the King’s Great Seal, were issued by the Crown. The monarchy granted patents for its own benefit and for the benefit of officers and friends of the Court.

- Patents were issued on entire industries, not just inventions. For example, the Stationers enjoyed complete control over the publishing industry in England.
- In an effort to curb such abuses of power, Parliament, in 1624, passed the English Statute of Monopolies, which outlawed all royally sanctioned monopolies. Realizing the importance of protecting inventors and the economic benefits associated with encouraging innovation, an exception was allowed for patents of ‘new manufactures’. These patents were awarded to the inventor as long as their new devices did not hurt trade or result in price increases. Additionally, a statutory limit of 14 years was imposed on English patents.

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Today’s patents remain a bargain between the state and an inventor. A monopoly of 20 years is granted in return for teaching the invention to the public.

The Irish Patent Office receives 500-1000 annually with 80,000 in force.

The UK Patent Office alone receives 30,000 patent applications per year. At any one time

around 295,000 granted patents are in force in the UK.

### 3.2 Monopoly

- Provides a monopoly that can be used to restrict others from making, selling or using an invention without permission.
- An Irish patent only restrains commercial activity in Ireland: To restrain activity abroad, you must have a patent in the relevant country.
- Legal proceedings for infringement only available after patent has actually been granted.
- To mitigate the effects of this it is possible in certain circumstances to back date a claim for damages to the date of publication of the patent application—which happens long before grant.

### 3.3 What is patentable?

Determined by national law.

Generally, all patent systems require:

- novelty;
- inventive step; and
- industrial applicability.
- In addition, many patent systems, such as those in European countries have exclusions from patentability for certain fields.

### 3.4 Novelty

An invention must be novel and also involve an inventive step at the time of filing.

The requirement of novelty is absolute.

The invention must not have been published — made available to the public in verbal or written form, by use or in any other way — anywhere in the world before the initial patent application is filed.

A disclosure made under a duty of confidentiality is not considered a publication for the purposes of novelty.

Publication depends on whether the public is free and able to identify how the invention works.

*E.g. in the case of a control system for traffic lights that has been trialed in public, operation of the traffic lights can be studied and the manner of operation identified even if the underlying programming or electronics cannot be evaluated. As such, the manner of operation will most likely be found to lack novelty. However, if the invention resided in the*

*electronics arrangement within the traffic lights that used less power or operated more quickly for example, this would most likely remain novel assuming access by the public to the electronics was not possible. If the traffic light had actually been sold before the date of filing and there were no prohibitions on reverse engineering etc., novelty would most likely be lost for all aspects.*

There are moves at an international level to introduce a ‘**grace period**’ or ‘period of immunity’ for those who reveal their inventions before filing a patent application. Until the law is changed one must observe the strict principle of filing before disclosure to anyone except in conditions of strict confidence.

Disclosures at conferences and seminars are not exempt.

### 3.5 Inventive step

- An invention must involve an inventive step at the time of filing.
- For an invention to have an inventive step, it must not be obvious to a skilled person having regard to the state of the art. In other words, to



be patentable, an invention must not be obvious to someone who is skilled in the particular technology of the invention in the light of everything that was publicly known before the date on which the patent application was filed.

- The skilled person is assumed to have read all the relevant materials available but is **not** expected to be imaginative or inventive.
- An invention is obvious only if it follows plainly or logically from what has gone before. The nature of the problem solved, how the problem had existed, whether large numbers of people were seeking a solution and whether alternative solutions are available are all relevant when assessing inventive step. Only the prior art teachings available before the invention are considered for inventive step —hindsight is an unfair test and is not applied.
- **Examples:** Most industrial products and processes are patentable provided they are novel and not obvious. Chemical processes, improved methods of operating already-known machinery, methods of checking parameters or product quality are all patentable.

Provided a useful technical or economic result is obtained, there is generally no problem in obtaining protection. Thus for chemical processes the invention may lead to an increased yield or less pollution, or it may be cheaper to operate, or it may require a lower power input or less pure starting compounds.

For a method of operating machinery, this may lead to an improved product, or be quicker or cheaper. Methods of checking, for example inspecting the interior of pipelines, can be more reliable or quicker or require less interference with the process or product being checked.

### 3.6 Industrial applicability

- This criterion is usually used to exclude ‘impossible’ inventions such as perpetual motion machines.
- The term ‘industry’ includes agriculture.

### 3.7 Exclusions

Patent law specifically excludes the following from being patentable:

- a discovery, scientific theory or mathematical method;
- a literary, dramatic, musical or artistic work or any other aesthetic creation

- a scheme, rule or method for performing a mental act, playing a game or doing business, or a program for a computer;
- the presentation of information — copyright protection will apply;
- any variety of animal or plant or any essentially biological process for the production of animals or plants, not being a micro biological process or the product of such a process;
- methods of treatment of the human or animal body by surgery or therapy and diagnostic methods practiced on the human or animal body — products, substances or compositions for use in any such methods are patentable; and
- inventions where the commercial exploitation of which would be contrary to public policy or morality — e.g. a letter-bomb, method for refining cocaine .
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- For all but the last two areas, the exclusion only relates to the extent that the patent **‘relates to that thing as such’**.

Taking a mathematical method as an example, it has always been possible to obtain a patent for a non-obvious invention that uses a mathematical method to achieve an

advantageous result. The use may, for example, be in the use of a device or in a process, or embodied in the final form of a device. In summary, a patent application for a mathematical method would be rejected but an application for a control system that used a mathematical method would most likely be accepted.

### 3.8 Computer implemented inventions

For many years there has been a misconception that software-based inventions are not patentable.

However, many tens of thousands of patents granted in Europe and in other countries covering computer software.

Part of the problem is that there are categories of computer implemented inventions that are excluded from patentability.

If the end result of a computer implemented invention does not fall into one of the other excluded categories such as a mental act, presentation of information or method of doing business then the invention may be patentable in Europe — subject to novelty and inventive step.

While patent law in Europe is based on common concepts, its implementation has often differed. This is particularly the case for granting patents for computer implemented inventions.

Many inventions fall into the definition of a computer implemented invention and are generally agreed to be patentable — for example, telecommunications systems, control systems, etc.

#### 3.8.1 \*\*Examples

Take, for example, the following examples of patents granted for software inventions. Bborderline between what is and is not allowable. There are many granted patents for inventions that include software components where problems are not even encountered.

**Data Processing System (GB 1274768):** This patent was granted under the previous version of the UK Patents Act and in fact covered spreadsheets It was dressed up to look like hardware — a dodge that patent examiners are now very aware of and does not work. It is unlikely that such a patent would have been granted under the current laws.

**Compiler (GB239 1348):** This patent covers an improved compiler in which non-invasive information on compilation is obtained and used to improve effectiveness of compilation without the intervention of a programmer. The patent was originally objected to for being directed to a computer program but was granted after a hearing. The decision stated that the ability to modify compilation in response to performance data, results in a faster, more accurate and adaptable compiler that constituted technical advances rather than cosmetic changes that took the invention beyond being a computer program as such.

**Proxy server (EP0892947):** This patent covers a proxy server for mobile devices in which downloaded web pages are transposed into appropriate size and resolution for the device. During a UK patent infringement action brought by the proprietor, Research In Motion, the defendant, Inpro Licensing SARL, argued that the patent was directed to a mere collection of computer programs and was excluded from patentability; The Judge disagreed, saying that ‘the claims give this a technical effect: computer running faster and transmitting information more efficiently, albeit ultimately for the purpose of displaying part of that information’.

**Graphics file format (EP 129439):** This patent was directed to a method and system of compressing data that was faster and produced better compression ratios on data — particularly image data — than prior methods and systems. The method was used for the GIF file format. It was not a specific software algorithm that was claimed but rather a new and non-obvious way of compressing data that could have been implemented in circuitry as well as in software.

**Computerized diary scheduling system (EP326778):** This patent covers a diary scheduling system that operates over a network. Meeting invitations are displayed simultaneously to a number of users allowing them to accept, reject or save the invitation. The operation of the system over a network and simultaneous display of data were most likely key to avoiding rejection of this case as a computer program or presentation of information as such.

**Computer file system (EP375 188):** This patent covers a computer file system and method in which physical disk space is divided into large blocks. At least some of the large blocks are subdivided into smaller blocks. When a file is created, it is designated as small or large. If a file classified as large is extended, it is allocated an appropriate number of large blocks. If a small file is extended then it is allocated an appropriate number of small blocks. The intention was to manage disk space allocation to avoid small files wasting space if they were written to large blocks. An additional advantage was that, where possible, files were written contiguously to avoid excessive head movement while reading. It was most likely decided that this was not a computer program as such because a physical disk was being controlled.

**Teaching systems (EP461127):** This patent covered an interactive learning system in which selected model text is displayed and also converted to audio and output to the user. The user’s own speech is recorded and played back after the model text to enable comparison. The claims in this case were

directed to a system including storage for the model text and a text-to-speech system that amounted to more than a computer program as such.

**MP3 data structure (EP287578):** This patent covers the digital coding process for audio signals used for the MP3 format. The patent was most likely granted for the same reasons as that covering the GIF format, discussed above.

**Amazon 1-click (EP927945):** There was a great deal of controversy concerning the US version of this patent which covers an online system allowing customers to enter their credit card number and address information just once so that on follow-up visits to the website all it takes is a single mouse-click to make a purchase from their website. Amazon successfully enforced the US patent against Barnes and Noble. The European patent cited above was ultimately granted but is much more restricted than its US counterpart. Its claims in fact do not even directly cover 1-click ordering but instead are concerned with buying gift purchases. The purchaser identifies the intended recipient of the gift and the system communicates with the recipient to arrange delivery etc. Amazon is still pursuing an application with many similarities to the corresponding US patent but this is still under examination.

Full details of these and other patents can be found at <http://ep.espacenet.com>.

### 3.8.2 New Directive

Patent applications are more likely to be rejected for lacking novelty or inventive step than because they are directed to excluded subject matter.

For example, **EP0390041** — directed to a system in which a cursor could be moved diagonally using a single keystroke — was rejected for lacking inventive step.

In the past few years, the European Commission and Parliament attempted to pass a law that would clarify what aspects of computer implemented inventions are patentable.

Inaccurately covered by the press: e.g., a number of stories stated that if the law was passed, scroll bars used in graphical user interfaces would be patentable.

The proposed law would not have made computer implemented inventions patentable for the first time, nor would it have opened up the possibility of business method patents, it was merely an attempt to make the national procedures applied by patent offices and courts consistent.

Opponents of ‘software patents, particularly the supporters of open source software who argue that patents covering software are damaging to innovation and competition.

This argument has little to do with software per se and there has been a notable lack of evidence showing specific damage to the software field. It can in fact be argued that patents are one of the few ways a small innovative company can protect its ideas from the bigger players in the market. It is

relatively common for the smaller companies to be bought specifically for their IPR and there is as much evidence that patents are beneficial as there is to the contrary.

The European Parliament rejected the proposed directive outright. The overall effect is that patents for computer implemented inventions are still patentable, it is just that your application or patent may be treated differently in different EU countries even though they have the same law.

### **Case for Business methods:**

Recently, a series of test cases have caused the UK Court of Appeal to specifically consider patentability of business methods and computer programs in what is referred to as the Aerotel/Macrossan decision.

While this decision does not substantially change the approach applied by the UK Patent Office and courts — it is still essentially as described above — it criticizes the often-contradictory approaches applied by the European Patent Office in this area. The approach adopted by the UK Court of Appeal is different to that currently applied by the European Patent Office. While all of the approaches are said to lead to the same result — which is what you would hope for given the written law that is being interpreted is word for word identical — this is unlikely to always be the case. This is an area of particular concern because while an inventor may be able to secure grant of a patent via the European Patent Office that covers the UK, the patent may later be found to be invalid during infringement proceedings in the UK — which are dealt with by the UK Courts using UK-based procedures/approaches.

### 3.9 Steps in obtaining a patent

Applicants are strongly advised to obtain professional advice since patent procedure is not simple and mistakes can result in not getting the best protection for an invention. Many applicants who do not employ professional advice find that their granted rights are not adequate for their needs or that it is too easy for a competitor to design around them.

A patent application must include:

- a technical **description** — called the specification — of the invention that is clear and complete enough for the invention to be reproduced by a person skilled in the technology of the invention. The description does not limit the scope of protection and is merely illustrative; and
- one or more **claims** that define, in words, the matter for which protection is sought. The claims are what limit the scope of protection and determine whether someone infringes or not. The claims are also what are evaluated for novelty and inventive step. If claims are too broad, they will not be novel or inventive — if they are too narrow, a patent would be granted for something that is easily designed around and therefore has limited value.
- Then a search is undertaken: Based on the claims filed and identifies any prior art published prior to the date of filing the patent application that the Patent Office considers falls within the scope of the claims.

At approximately 18 months from filing the application, it is published by the Patent Office (copies are available at <http://ie.espacenet.com>) along with the results of the search. This is the first time the contents of the patent application are available to the public. From this point onwards, details of the prosecution of a patent application are publicly available.

The applicant has six months from publication to request examination. During examination, a Patent Office official examines whether or not the application meets all the requirements of the law for example, is it new? Is it inventive? Is there sufficient disclosure? The applicant is advised of any objections and is given the opportunity to amend the application to address them. At the end of this process and, assuming all has gone well, a patent is granted.

After grant, an annual renewal fee will have to be paid to keep the patent in force — subject to a maximum term of 20 years.

At grant, the specification and claims are published again and it is this version that is relevant for infringement.

If you look at published applications— their publication number ends with an A — the claims may look incredibly broad and unsupportable. However, for infringement purposes it is only the claims of the granted application — their publication number ends with a B — that is relevant. The claims will most likely have evolved and narrowed during examination.

The average length of time between filing a patent application in Ireland and the decision by the Patent Office to grant or refuse it is three to four years.

### 3.10 Paris Convention and priority rights

A single national patent can have value. However, most companies do not have a single country as their market. For commercially important inventions, patent protection is normally desired covering a number of countries— typically the USA, at least part of Europe, possibly Japan.

The Paris Convention was drawn up to make the absolute novelty requirements that these countries apply compatible with the possibility of filing for patent protection in multiple territories.

#### **Priority date**

The Paris Convention provides priority rights to an applicant that enable him or her to file subsequent patent applications within 12 months of his or her first patent application for that invention and yet benefit from the filing date of the first application. In this way, all applications for that invention benefit from the first filing date for novelty and inventive step purposes. Disclosures made in the first 12 months can be discounted and it is even possible to have the first application searched within the 12 months to determine whether expenditure on other applications is worthwhile.

### 3.11 Patent systems

Collective patent systems that can be used for filing patent applications covering more than one country.

Keep prosecution central and in some cases keep costs down.

#### **European Patent Convention(EPC):**

Do not ultimately result in a collective patent. A patent application can be filed and prosecuted at the European Patent Office covering most European countries — and some others. However, upon grant, the European Patent breaks down into a bundle of national patents, just as if a patent application had been filed and prosecuted in each country.

#### **Patent Cooperation Treaty (PCT):**



Provides provisional protection for over 100 countries.

Ultimately applications must be prosecuted within each country of interest according to their national laws and procedures.

### 3.12 Third-party interaction

- Public may observe aspects of the prosecution of a patent application after publication at 18 months from the priority date, however, they are not normally able to take part in the prosecution proceedings.
- Before grant of a patent application in Ireland, it is possible for the public to submit third-party observations on the novelty, inventive step or other aspects of a patent application.
- These will be taken into account by the Patent Office examiner when deciding whether or not to grant the application.
- After grant, it is possible to request revocation of a patent at the Patent Office or via the courts.
- Revocation is often requested during infringement proceedings and grounds for revocation are discussed in the section dealing with infringement.
- Some patent offices, including the EPO and USPTO, have a post-grant opposition procedure in which interested parties can oppose the grant of a patent without having to resort to the costs involved in going to court.

### 3.13 Petty patents

- Some jurisdictions (including Ireland) — principally Japan, China, Korea, Taiwan and Germany — offer a petty patent or utility model system.
- Similar to the patent system except that there are typically lower costs, a lower duration for protection and limited or no examination — typically validity is assessed upon attempted enforcement.
- In some cases, a lower threshold — or possibly no threshold — is applied to inventive step

### 3.14 US patent differences

Although the US patent system shares a number of concepts with the Irish system including novelty and inventive step, there are also significant differences. It is worth noting that there are slight differences in terminology too. In the USA, patents are called ‘Utility Patents’ and registered designs are called ‘Design Patents’.

#### 3.14.1 Entitlement to a patent

- Entitlement is determined on a first-to-invent basis rather than first to file.
- In the US it is possible to ‘swear back’ and establish an earlier filing date to overcome prior art or actually take over another person’s application or patent through interference proceedings.
- Outside the US, as long as the applicant is entitled to grant of a patent, the first to file for a patent is awarded grant.
- E.g., if two scientists A and B independently invent something, outside of the USA the scientist who will be awarded a patent for the invention would be the first to file a patent application. In the USA, the scientist who can prove he or she invented the invention first would be awarded the patent, irrespective of whether they filed first.

### 3.14.2 One-year grace period

- A disclosure made within 12 months prior to filing in the US is not counted against the patent for purposes of novelty or inventive step.
- Note that novelty in other countries applies on a worldwide basis so a disclosure made up to 12 months before filing may not count against a US patent application but would do elsewhere.

### 3.14.3 Excluded subject matter

- Very little subject matter is excluded from patentability
- US patent law requires an invention to have a useful, concrete and tangible result to be awarded a patent.
- Laws of nature, natural phenomena and abstract ideas are generally not patentable.
- So long as there is a practical real-world application then an invention is generally patentable in the USA — it does not even have to be that useful, a recent patent has been issued for a method of **swinging a swing**.
- Business methods are also patentable.

#### *State Street Bank & Trust Co. v Signature Financial Group.*

- This was a decision made in 1998 by the US Federal Circuit — in which a business method was decided to be **patentable**, irrespective of whether it was computer implemented.
- The patent was directed to a data processing system for implementing an investment structure that was developed for use in Signature's business as an administrator and accounting agent for mutual funds.
- Mutual funds have their assets pooled into an investment portfolio organized as a partnership, providing the administrator of the mutual fund with the combination of economies of scale in administering investments and the tax advantages of a partnership.

### 3.14.4 US national security provisions

- A patent must be first filed in the US if the invention is first made, reduced to practice in the US.
- If a patent is to be first filed elsewhere then permission must be first sought from the US Patent Office for a foreign filing license.

## 4 Copyright

- Automatically protects original works.
- Extends over a wide range of artistic & business fields: books and other literary works, plays, paintings, music, sculptures, broadcasts and photography etc.
- Does not protect an idea — it simply protects the expression of the idea is expressed
- Where the text of a short story, say, is protected by copyright, it is not an infringement to write a story with the same 'twist' provided different words are used.
- Legislation: <http://www.irishstatutebook.ie/2000/en/act/pub/0028/index.html>

### 4.1 Background

- Dates back to Ancient Greece and Rome, though, limited number of people able to read and write.
- **Brehon law** also recognised copyright, "to every cow it's calf, to every book it's copy"
- **C15th, Printing press:**
  - new ability to print large quantities of books and political pamphlets

- new issue of piracy.
- Leads to the introduction of copyright protection.
- UK: King exercised the royal prerogative
  - to regulate the book trade
  - protect printers against piracy.
  - to control what was being printed.
- 1709: Statute of Anne was the first UK Act
  - copyright for books and other writings
  - an author is the owner of copyright
  - provided a fixed term of protection
- Latest Irish Legislation: <http://www.irishstatutebook.ie/2000/en/act/pub/0028/index.html>

#### 4.2 Works protected

- Original literary, dramatic, musical and artistic works, published editions of works, sound recordings, films and broadcasts.
- Computer programs, their preparatory materials (literary works).
- Operating manuals, instruction booklets and publicity material.

#### 4.3 Requirements

- Registration not required,
  - should keep carefully signed and dated evidence of original work.
- Protection exists (subsists) — automatically if the work has been **fixed** in some manner.
  - includes computer-readable medium.
- Must be **original** - a relatively low threshold - not copied.

- Although some countries require that copyright works are marked with the international © mark, followed by the name of the copyright owner and year of publication, this is not essential in Ireland, UK or most other European countries. Advisable to mark the copyright work to deter copying.
- Copyright can be bought, sold or otherwise transferred.
- Copyright owners can choose to license others to use their works while retaining ownership over the rights themselves.

#### 4.4 exclusions

- No copyright in:
  - name,
  - slogan
  - or phrase/jingle - e.g. "I'm luvin it"- (may be eligible for trade mark)
- Can protect the expression of an idea
  - not the idea behind itself.

#### 4.5 Protection provided

- A negative right
- Infringement: occurs on the whole or a substantial part of a work.
- Prevent others from:
  - copying the work;
  - issuing copies to the public;

- performing, showing or playing the work in public;
- broadcasting the work or including it in a cable programme;
- making an adaptation of the work;
- \* importing, possessing, selling, exhibiting or distributing an infringing copy; and
- \* dealing with items or providing premises used for making infringing copies.
- \* Reason to believe that the copies are infringements is usually necessary. However, ignoring the obvious is not enough to avoid infringement.

Copyright exists independently of the medium.

- Buying a copy of a book or CD only gives title to the medium -
- No right to make further copies - even if they are for private use.

#### 4.6 Software - extra rights

The copyright owner can prevent others from:

- Can prevent permanent or temporary copying of the program, including where this is required to run, store, load or display the program
- Lawful acquirers will have the right to use a computer program for its intended purpose, including error correction, unless agreed otherwise;
- Can prevent translation, adaptation, arrangement or other alteration of a program -including compilation &decompilation;

- Can prevent: putting into circulation a device to facilitate the unauthorized removal or circumvention of any technical protection devices
  - device includes: algorithms, software, hardware and possibly instructions. <http://www.irishstatutebook.ie/2000/en/act/pub/0028/sec0370.html#partvii-chapi-sec370>

### **Non-literal copying:**

- UK Courts have decided that s/w copyright can be infringed by non-literal copying.
- Where original work was referenced
- Use of architectures, algorithms or sequences underlying a computer program could be copyright infringement if a substantial part of a programmer's skill, labour and judgment has gone into them.

#### *John Richardson Computers Ltd v Flanders,*

- Alleged copy was written in a different programming language,
- similarities at the user interface level were found
- Held: copyright infringement.

#### *Navitaire v easyJet Airline Co*

#### More recent case

- Alleged copyright infringement of a reservation system.
- Source code was never made available to easyJet
- the languages, code and architectures used were different.
- Held:

- the command set (a command language) used by the system was not protected by copyright either as individual commands — they do not have the necessary qualities to qualify as literary works — or as a whole;
- business logic implemented in the functionality of a program is not itself protected by copyright
- copying of the "expression" was never argued.

#### 4.7

#### 4.8 Moral rights

Include:

- the right to be identified as the author or director of the work, for example when copies are issued to the public;
- the right to object to derogatory treatment of the work; and
- the right not to have a work falsely attributed to them.

Moral rights are concerned with protecting the personality and reputation of authors. The right to be identified must be asserted, i.e. the author or director must indicate their wish to exercise the right by giving notice to this effect.

The right to be identified and the right to object to derogatory treatment can be waived by the author or director.

#### **Moral rights do not apply:**

- in computer programs;
- where ownership of a work was originally vested in an author's employer;
- where material is used in newspapers or magazines; and
- in reference works such as encyclopedias or dictionaries.

#### 4.9 Duration

Depends on the work

Generally lasts for the life of the author plus 70 years.

For artistic works that are industrially produced, protection lasts 25 years.

#### **Outside Ireland/EU:**

Term of protection is the reciprocal of that granted by the country of origin of the work.

‘**national treatment**’ principle provide authors and publishers of other countries with the same rights, protection and remedies as its own authors and publishers.

## 5 Database right

A database may be protected by two copyright-based IP right:

- copyright
- database right (Sui Generis)

### 5.1 Copyright

- A database is usually defined as a collection of data or other material that is arranged in a systematic or methodical way so that the items are individually accessible.
- Copyright protection covers any forms of database that fall within this definition, not just computer-based ones.
- For copyright protection: the database must have originality in the selection or arrangement of the contents.
- Many modern databases may require huge investment, however, may still lack originality to gain adequate copyright protection

### 5.2 Sui Generis

- A special additional right - to protect databases, particularly where they lack originality
- The database must be the result of substantial investment.
- No registration required — commences when in a recorded form.
- Duration **15 years**: from creation or publication
- Perpetual in nature: recommences when a database is substantially updated.
- Rights:
  - control extraction
  - re-utilization of the contents
- Infringement: extraction or reutilization of a substantial part.



### 5.2.1 Caution

- Ordinarily, databases are themselves a collection of copyright works
- Copyright can also subsist in the content independently of the database.
- Database owners must then seek permission content copyright owners.
- Online database usually require subscribers to agree **terms & conditions**, and these will generally take precedence over any exceptions in the law.

### 5.3 British Horseracing Board (BHB) v William Hill:

- Important case
- BHB claimed the publication by William Hill of data, extracted from BHB's database, concerning the runners and riders in British horse races on its website, was an infringement of its database rights.
- UK Court held William Hill to have infringed the BHB's database right.
- Appealed to the European Court of Justice (ECJ).
- ECJ held: the £4 million annual cost for running the database was largely for creating the data, not the database.
- Data extracted and re-utilized by W. Hill had not required substantial investment and did not constitute a substantial part of the contents of the database.
- BHB also argued that W. Hill had infringed by the repeated and systematic extraction and re-utilization of insubstantial parts.

- ECJ agreed that the reasoning behind this Database Directive provision was to prevent repeated and systematic extractions of data, the cumulative effect of which would be to reconstitute or make available the whole or a substantial part of the contents of the database.
- Also held: W. Hill had only taken insubstantial parts of the BHB database — albeit on a daily basis — but that there was no possibility that the cumulative effect could lead to the taking and making available of the whole or a substantial part of the database.
- The ECJ's decision appears to have reduced the potential scope of protection provided.

## 6 Trade marks

- Trade marks protect the way in which goods and services are identified.
- Widely recognized as very valuable company assets.
- E.g. worldwide recognition achieved by such marks as Guinness, Nike, Kodak and Coca-Cola.

### 6.1 Background

The marking of goods to identify their crafter can be traced back to ancient times.

C19th - trade mark registration began - First mark? **A Former Taoiseach's tippie**

Generally, does not come about by registration of a company name at companies house or by registration of a domain name and mere registration of either of these is no guarantee that you can trade using that name or domain.

Trade mark can be registered or unregistered.

### 6.1.1 Passing off

A disadvantage of unregistered use is that it is much more difficult to prevent competitors from appropriating the goodwill in the mark.

Must resort to the common law and to a legal action known as ‘passing-off’. Protects the reputation associated with products and services on the market.

Passing off also applies to a competitor attempting to confuse by adopting a similar package or ‘get-up’.

A third party cannot lawfully pass itself or its goods or services off as being yours, being associated with you or being in some way authorized by you.

Can take many forms, from using the same trade name to get up of goods or premises.

Necessary to show

- that you possess ‘goodwill’ - defined as ‘the attractive force which brings in custom’;
- that there is a ‘misrepresentation’— such as confusion on the part of the public as to trade origin;
- and that this is likely to cause you damage.

### 6.2 Registered trade marks

A trade mark or service mark can be registered by filing an application at the Irish Patent Office.

Applies to one or more classes of goods or services. Class list: <http://www.wipo.int/classifications/nivilo/nice/index.htm#>

Then has exclusive right to the use of mark in the territory in which the mark is registered.

Registered trade marks are identified with the symbol ® while unregistered marks are followed by the letters **TM**.

A trade mark is not necessarily the same as the name of a business, for example, the mark 'St. Bernards' is employed by Dunnes Stores.

A trade mark is a word or device (logo) or a combination used to distinguish one's goods or services from those of one's competitors.

#### 6.3 Monopoly provided

- Exclusive rights to use the trade mark for the goods or services for which it is registered.
- A major part of the value attributed to trade marks is due to their association with goodwill for a brand.
- Help customers and traders to recognize a business and identify it with the quality of product or service.
- Brands are central to marketing programmes and it is a trade mark that protects the distinctive elements that make up the market identity element of most brands. Many celebrities seek to profit through merchandizing using the reputation of their name.

- Registering their name as a trade mark, they can control the way their reputation is used to endorse products in the marketplace.
- Trade mark is first registered for 10 years and then renewed for a fee at 10-yearly intervals - indefinite in duration.
- Must be in constant, relevant use.

#### 6.4 What can be a trade mark?

Almost anything! are made up words, shapes, logos or combinations —

Registrable marks include: names, logos, shapes, colours, smells, jingles etc.

- distinctive shape of the ‘Coca-Cola’ bottle
- perfume bottles are registrable,
- the smell of strong bitter beer for dart flights has been registered.
- It is necessary to register a trade mark in respect of relatively specific goods and services. E.g. ‘Bass &Co’s PALE ALE’ and is registered for pale ale.

It is common for more goods and services to be covered, though broad coverage is only usually allowed for well-known trade marks.

Possible to oppose registration of a trade mark during or after registration.

No worldwide novelty requirement for trade marks.

Possible to register a trade mark many years after public use as long as nobody else has it.

Different owners can hold the same registered trademark in different countries.

E.g. BUDWEISER in some countries it refers exclusively to the beer brewed by the Czech brewery; elsewhere owned by the USA brewers of Bud.

#### 6.5 What cannot be a trade mark?

- Should not be misleading nor should it be descriptive of the goods or services covered
- Surnames and geographical names can be difficult to register.
- An official check is made to ensure that a proposed mark is not confusingly similar to an existing registration in respect of similar goods or services.
- Must act as a badge of origin for a product or service.
- Sometimes, a mark may be eligible because it has been in use for some time and is recognizable as belonging to somebody already. (MS-Windows)
- Laudatory terms normally may not be registered,
- Descriptive terms in the relevant class are ineligible e.g. 'apple' in grocery.

#### 6.6 Trade mark systems

- In addition to national trade mark registration systems, there are various collective systems through which trade marks can be registered.
- European Union operates a European trade mark system
- Unlike with patents, the European trade mark remains a single right that covers the whole of the EU and only one renewal fee is payable.

## 7 Domain names

Strictly not an intellectual property right.

Simply an internet address that is leased from a generic domain register operator — such as .com, .org or .net — or a country-level domain register (.ie).

Have acquired a further significance as business identifiers and, as such, have come into conflict with the system of business identifiers that existed before the arrival of the internet and that are protected by IPRs.

Initially registration operated on a first-come, first-served basis and once someone had registered a domain name, it was theirs to do whatever.

### 7.1 Cybersquatting.

- Registering names of trade marks, famous people or businesses with which you have no connection.
- Often register variations of names
- May put domain names up for auction, or offer them for sale directly to the company involved at inflated prices
- May keep domain name to attract business for their own sites
  - potentially, "passing off" or "trade mark" infringement

### 7.2 .eu domain

Registries have specific dispute resolution policies at start-up, ‘**sunrise**’, phase.

## ".eu" domain,

- provided for 2 sunrise phases:
  - 1) registered trade mark holder to reserve associated domains
  - 2) unregistered trade marks holder to reserve associated domains.
- Later, general public allowed to register.

### 7.3 Dispute resolution

- Either thru court action or dispute resolution procedure
- UDRP (Uniform Domain Name Dispute Resolution Policy) provided by ICANN
- UDRP is limited to certain domain types
- only for abusive registrations (cybersquatting) where a trade mark is involved.
- Remedy is limited - includes cancellation or transfer of the registration - no damages.
- proceedings are generally only in writing and are quick (less than 60 days), cheap.
- .IE Domain Name Registrations uses WIPO Dispute Resolution Rules of Procedure for

### 7.4 Cases

## "One-in-a-million":

- UK: case involving Marks & Spencer, Ladbroke's, Sainsbury, Virgin and British Telecom
- all taken cybersquatting disputes to court for trade mark infringement and have won.



- Where there is no abusive registration, it is not necessarily the case that a registered trade mark holder will always have the upper hand

Although registration always helps prove you are serious about the trade mark.

### **Prince v Prince:**

- A British computer consultancy company had registered www.prince.com in good faith and were using it.
- US company Prince, who manufacture sports equipment had a US trade mark for, among other things, sports goods.
- US company had no registered trade mark in the UK or anywhere for that matter for computer consultancy services.
- Threatened to sue the British company for infringement of the US trade mark.
- The British company counter-sued in the UK for unjustified threats of trade mark infringement and won.
- The US company had to settle for www.princetennis.com.

#### 7.5 Distinction fom TMs

Trade marks	Domain names
<ul style="list-style-type: none"> <li>• national protection</li> <li>• not necessarily unique as same mark <ul style="list-style-type: none"> <li>• different classes</li> <li>• different countries.</li> </ul> </li> <li>• registered for anything “represented graphically”, <ul style="list-style-type: none"> <li>• shapes</li> <li>• Smells</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• global resource</li> <li>• Unique</li> <li>• only words &amp; numbers</li> <li>• commercial intellectual property that are typically only registered for between 1 and 10 years</li> <li>• owner must defend against infringement.</li> </ul>

<ul style="list-style-type: none"> <li>• a state sanctioned monopoly right which lasts for 10 years.</li> </ul>	
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## 8 Designs

A monopoly right for the appearance of the whole or part of a product, resulting particularly from the features of lines, contours, colours, shape, texture and materials of a product or its ornamentation.

Protection can also be obtained for the ‘get-up’ of a product, for graphic symbols — such as computer icons — and typographical typefaces.

A registrable design may be:

- a new article — for example, the shape of a computer case;
- a new part of an article — for example, an elaborate switch for the computer case;
- a new two-dimensional pattern or ornament suitable for use on an article — for example, a decorative pattern for a plate, or fabric etc.; or
- a new computer icon.

How are designs registered?

An application for design registration only requires a few pictures showing different views of the design, and an

indication as to what the design might be applied to — though this does not limit the legal protection just to that application. Registration is possible even for handicraft items and one-off items.

#### 8.1 Background

- Laws protecting designs originated in the 18th century
- to protect those designing and printing fabrics.
- In the mid-19th century, a registration system was introduced and the system was extended to include articles of manufacture.
- 2001: European Designs Directive came into force bringing harmonized design law throughout the European Union.
- Directive broadened designs law, now the design itself that is protected rather than the article to which the design was applied

#### 8.2 Registered designs

- Protect the appearance of a design.
- Protection is a monopoly,
- For infringement: it is not necessary to prove copying, is sufficient to show that the articles look the same
- [http://www.patentsoffice.ie/en/design\\_what\\_is.aspx](http://www.patentsoffice.ie/en/design_what_is.aspx)

#### 8.3 Monopoly provided

- Registration gives the owner a monopoly on their product design.
- For a limited period, the owner may stop: others from making, using or selling a product to which the

design has been applied, or in which it has been incorporated, without their permission.

- This is additional to any design right or copyright protection that may exist automatically in the design.
- Initially lasts for five years, renewable every five years to a maximum of 25 years.
- Like any other business commodity, it can be sold or licensed under terms agreed with the registered owner.

#### 8.4 What designs can be registered?

- a monopoly right for the appearance of the whole or part of a product,
- resulting particularly from the features of lines, contours, colours, shape, texture and materials of a product or its ornamentation.
- also for the ‘get-up’ of a product, for graphic symbols — such as computer icons — and typographical typefaces.
- 

A registrable design may be:

- a new article — for example, the shape of a computer case;
- a new part of an article — for example, an elaborate switch for the computer case;
- a new two-dimensional pattern or ornament suitable for use on an article — for example, a decorative pattern for a plate, or fabric etc.; or

- a new computer icon.

There must have been a ‘freedom of design’ in the creation,

so where a jug has a distinctive shape it is registrable because it could have had many other shapes and still have been a jug.

However, where form is **dictated by function**, or dictated by the need to fit with other parts — for example, a brake pad, which needs to fit in the callipers — **no registration is possible**.

The design **must be new** on the **day the application is filed**, that is to say not likely to be previously known anywhere in the world by a designer working in the same field. Furthermore, the design must have ‘individual character’. This means it must not give the notion of *de jàvu* in the mind of an ‘informed user, namely one familiar with the product in question who is not a designer.

The design will still be judged as novel on the filing date **even if the designer has disclosed their design** — for example, sold it — at any time in the 12 months prior to filing. This one-year ‘**grace period**’ allows designers to test the market before deciding if registration is appropriate. However, any disclosures by others of designs that are the same or similar, even if they occur during those most recent 12

months, will count against the applicant when assessing novelty.

A design **may constitute the whole or a part of a product**, a part being taken to mean an individual feature that is an integral piece of a product as distinct from a ‘component part’ that can be removed or replaced. Thus, a registered design can cover the head of a toothbrush, for example.

Furthermore, registered designs can now **also protect a one-off product**, rather than a product manufactured in quantity, which was not the case previously.

Protection is **not necessarily limited to features on the outside of a product**. For example, protection can be obtained for the appearance of the inside of a suitcase.

Furthermore, the features of the design must not be dictated solely by their technical function. However, interlocking components — such as plugs and sockets — can be protected.

The registered design covers any designs that do not produce on the informed user a different overall impression. This definition is fraught with difficulties and no doubt will result in much litigation over the next few years.

The only real guidance at present is that the scope of a registered design will depend upon the freedom

that the designer had in choosing the design and in what was known in the industry before the date of the registered design. Thus, highly functional designs where the designer must respect given parameters are likely to be infringed only by very similar designs.

### 8.5 Registered design systems

European Union operates a European registered design system through which a European design registration can be obtained.

Unlike with patents, the European registered design remains a single right that covers the whole of the EU and only one renewal fee is payable.

### 8.6 Unregistered design right

Unregistered designs are a version of copyright that protects any original aspect of the shape or configuration of the whole or a part of an article.

As with copyright, copying of the design or a substantial part of it must be proven for infringement.

Independent production of a similar design is not an infringement.

There are a number of important distinctions from copyright.

There are currently two forms of design right .

The first form comes from old copyright law and only protects shapes. There is no protection for surface patterns.

Protection lasts for either 15 years from creation or 10 years from first marketing, whichever expires earlier.

The second form is based on current registered design law and covers anything that satisfies the criteria for a registered design but only for three years from first marketing in the EU.

## 9 1st Owner of IP

- Is usually its author or creator
- If employed and the creation of the IP is in the course of their employment then the first owner will be the employer.

- No assignment is necessary to effect ownership by the employer in this situation.
- If an employee's duties do not include anything that would be expected to result in the creation of IP — for example if the employee was a cleaner — any IP created would be owned by the employee.
- In the case of directors, a greater duty to the company is expected and it is quite likely that the company will own IP created by its directors.
- A contractor normally retains the copyright in any commissioned work unless their contract is explicit to the contrary.
- The author of a computer-generated work is 'the person by whom the arrangements necessary for the work to be generated are undertaken'.
- Joint ownership (and inventorship or authorship) of IP is possible.
- In assessing whether there is joint ownership, the courts typically look at the contributions made by participants.

## 10 Licensing & Assignment

Licences and assignments are merely contracts and can contain whatever provisions the parties are willing and able to include.

In every case, general provisions in law about what contractual terms are acceptable need to be considered carefully as well as the nature of the IP that is the subject of the contract.

Competition law and company law may be relevant.



## **Assignment:**

- is typically an outright transfer of rights by the holder of the rights (the assignor) to another party (the assignee).
- **Licence:**
- involves a continuing relationship between the rights holder (the licensor) and the organization wishing to exploit the rights (the licensee).
- The relationship may involve the continuing flow of information and technical assistance from the licensor in return for financial payments or royalties from the licensee.
- Improvements to the technology might be made in the future by either party and these can also be covered in the initial licence agreement.

### 10.1 Assignments

#### **Specific formal requirements for IP assignments:**

- Patent assignments must be in writing and require the signature of the assignor,
- In certain countries including Ireland, there is a deadline — typically six months from the date of execution — for registration of assignments at the relevant Patent Office.
- If this deadline is missed then damages from subsequent infringement proceedings may be restricted until registration is completed.
- An assignment of copyright in Ireland must be in writing and signed by the assignor.

### 10.2 Licence

Gives the right to do something that would otherwise be an infringement of rights.

It is a permission to do something, which the law says is the exclusive right of the owner of the IPR, which is licensed.

Only the owner of the IPR can grant a licence — if there is more than one owner then all must agree.

However, any inventor may make and sell the product without a licence from any co-inventor

Normal licences are non-exclusive — the number of licensees who maybe granted a licence is not limited.

### Two types commonly used:

- **Sole licence:** where the licensee and licensor are permitted to perform the acts covered by the licence.
- **Exclusive licence:** where IPR is licensed to the exclusion of even the person who owns the IP. Worthwhile where the owner do not want to exploit the IP as it may be possible to seek a higher royalty payment than for a non-exclusive licence.

#### 10.2.1 Reasons for grant

- May be the easiest way to gain entry to a particular market. The licensee may be well established in a particular market with marketing and distribution resources, customer base and reputation needed to exploit the IP and product(s).
- Licensor may be granted a cross-licence in return and gain access to a right that will enhance its own business.
- May be the simplest and most cost-effective way of resolving an infringement of the rights in question.
- Licence removes the risks inherent in manufacture and sale.

#### 10.2.2 Negotiating a licence

Both parties should have a common understanding of everything that is involved.

Do not assume that one party's understanding of a particular technical or legal term is the same as that of the other party.

Simple misunderstanding on issues such as the basis upon which a percentage royalty rate is to be calculated can and do occur

While it is not possible to completely specify all the topics that a licence should cover there are certain basic issues, which should always be considered, as follows.

- **Subject of the licence** - specific reference to a patent or some other enforceable right will usually form the basis here.
- **Rights being granted** - what is the licensee being given permission to do?
- **Payment** - how is it to be calculated? Should it be a percentage of the selling price or a fixed sum per item? Upon what basis should any percentage be calculated? When should payment be made? Can the payment be independently audited?
- **Warranties** - it for example, a licence is based on a patent then the licensee may require the licensor to indemnify them against infringement actions by agreeing to defend the action and pay any legal costs or damages.
- **Improvements** - if the licensee produces improvements to the invention or product, how does this affect the licence? Does the licensor have access to these improvements?
- **Disputes** - any licence should contain a provision on how to deal with any disputes between the parties that occur during the life of the licence. It can be very expensive if, for example, the licensor is based in one country and the licensee is based in another
- **Term of the licence** - how long does the licence last? Can it be terminated before full term and if so under what circumstances? For example, company takeover.
- **Continuation after lapse of the IPR** - if the patent, trade mark or registered design lapses or expires, does the licence continue, if so is it on the same terms?
- **Termination** — one or both parties may wish to terminate the licence for a whole host of reasons such as non-payment of royalties, bankruptcy of either party, and a

whole host of terms and conditions in the agreement that are not adhered to — for example, the licensee producing goods of inferior quality or the licensor not supplying agreed ‘know-how’. Clearly it is desirable for the licence to cover these eventualities.

- **Applicable law** — if the other party is not based in the same country, chances will be that they will want the agreement to be governed by the law of the country in which they are domiciled.
- Competition law is applicable to licence agreements and care should be taken to ensure provisions do not have the object or effect of preventing, restricting or distorting competition within Ireland/EU.

IP rights can normally be exercised without fear of breach of competition law - for example you can use patent rights to control who is authorized to sell a patented article in a territory. However, there is a generally accepted principle called the doctrine of exhaustion that only allows IP rights to be applied once within Europe. A patented article bought from a licensee of the patent in one EU territory can normally be sold in another territory— even if patent rights exist there too — because the patent rights are said to have been exhausted — the proprietor has already received the benefit.

### 10.2.3 S/W and Databases

Additional provisions may be included such as:

- Can the software be transferred to another machine or is it tied to a single machine?
- What rights does the licensee have in respect of data migration?
- Do they have sufficient rights to obtain information on database, program or data structure and format?

- Is there provision for access to the source code by the licensee via escrow or the like—for example if the licensor was to go out of business?

#### 10.2.4 Open source

A variety of OS licences exist.

The GNU General Public License (GPL) most popular.

Usually included terms that require source code be available

That royalty free licences are normally required for any patents or patent applications associated with a product sold that uses open source code.

GPL ensure freedom to distribute copies of s/w

Can charge for distribution.

That the software can be changed or pieces of it be used in new applications.

No warranty is generally provided as software maybe modified by someone else and passed on. Problem for some purchasers.

#### 10.2.5 Shrink-wrap

User acceptance of terms by opening the shrink-wrap/other packaging or by use of the software

Terms usually include:

- restrictions of s/w use
- governing jurisdiction
- disclaim implied warranties
- and capped monetary damages.

Courts have declared such licences valid.

#### **Beta v Adobe:**

Held, licence had been validly incorporated into a contract as contract between customer and distributor only concluded on package opening. The licence offered the customer an unqualified

right to reject the software if its conditions were considered unacceptable, a right that was held to be enforceable against the distributor. Such licences allow the normal "privity of contract" principles to be bypassed, creating a contract between the software producer and purchaser, even if the software was not directly purchased from the software producer.

**Extension to other area:**

Shrink-wrap licences are starting to appear in the USA on hardware items. In one case, printer cartridges were offered at a discount if the purchaser agreed not to refill the cartridge through anyone other than a licensed re-filler. In 2005, a lower US court has indicated that this practice is acceptable as long as the item in question was patented. It may well be tested at a higher court level.

10.2.6 Click-wrap and browse-wrap

- More often used to incorporate terms prior to downloading or installation of a software product.
- Not yet tested in Irish or UK courts, however, it is likely that they will follow **Beta** decision in shrink-wrap licences.
- Where there is clear agreement by the licensee then the licence will most likely be found to be enforceable.

10.2.7 Freeware and shareware

**Freeware:**

Though free, it is still copyrighted and will include some form of licence agreement in which its modification and usage are limited or prohibited.

**Shareware:**

Terms typically stipulate that a licence must be purchased for commercial use or use beyond a set trial period.

Using freeware or shareware can be seen as valid consideration and the user is accepting the terms of the licence agreement and breach would constitute breach of contract and possibly copyright infringement.

## 11 Infringement

Restrictions depend on the IP right

Much available material will be protected by multiple IP rights.

E.g: A music CD may involve copyright in both the music and the sound recording itself, performers' rights for the singers and musicians and a trade mark for the company under whose label the CD is sold. The band's name may even be a trade mark. There will also be copyright in any graphics on the insert of the CD case.

E.g.: A cooling fan for a central processing unit (CPU) may involve patent rights in several different aspects of its design and operation. Each patent may be owned by a different person. Additionally, there may be registered design or design right protection in the shape of various components.

Licence needs will depend on what uses are restricted by the IPR and whether there are any exceptions to these restricted uses. Use without permission or exception will infringe an IPR.

Restrictions depend on type of IPR:

E.g. copyright gives the creator the right to control copying and first publication of works. Another creator who has independently thought of something similar,

that is they have not copied from the first creator, would not infringe the first person's rights.

However, registered rights - registered designs, patents and registered trade marks - give monopolies so that even someone who does not know of the IPR could perform an act falling within the scope of the IPR and would not have permission to use the IPR.

### 11.1 Exclusions

Restricted use that may not require the permission.

doing something for private or experimental purposes relating to the subject matter of an invention may not infringe.

**For trade marks**, not an infringement to:

- use a person's own name and address
- use a mark which indicates quality, quantity, geographical origin, time of production of goods or services
- use a mark to indicate the intended purpose of a product or service for spare parts.

- 

• **For patents, registered trade marks & designs:**

- cannot be prevented others doing something already being done before application for rights. Prior user rights will not be expandable.

- 

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• **For copyright** not an infringement to:

-



- make a transient copy for transmission over a network or for a lawful use of the work. Covers caching content while browsing.
- decompile of software for interface production and making backups.
- limited use of copyright works for research and private study, criticism or review, reporting current events, judicial proceedings and teaching in schools.
- Publication of excerpts, such as quotes, will require an acknowledgement.
- provisions for use of programme listings for television and radio. A newspaper or magazine cannot be stopped from using TV listings provided a royalty is paid.
- Recording broadcasts for time-shifting purposes for personal and domestic purposes does not infringe.

▪ **Note:**

- owning a copy of a copyright work does not give you permission to use it in a way that would infringe copyright.
- it is possible that an exception can be overridden by a contract.

## 11.2 Compulsory licence

Generally granted in the situation where the rights holder fails to 'work' the invention.

E.g.: if a company obtains rights to an invention and then fails to work the invention - i.e. sell the patented article, use the patented method, etc. - and refuses to license the patent rights to another company to work the invention, then a compulsory licence may be applied for through the courts. The court will also set reasonable licence terms where agreement cannot be reached

## 12 Internet

### 12.1 Menashe case

The use of the internet to position servers offshore does not always avoid infringement.

#### **Menashe Business Mercantile Ltd v William Hill:**

- Host computer was situated in Antigua and the terminal computer in the UK.
- It was found that William Hill's customers used the gaming system on a computer in the UK
- William Hill supplied CDs to their customers which was seen to put the invention into effect in the UK.
- Held: infringement

### 12.2 Copyright

- Applies online both on Internet and intranet i.e. it is an infringement to post material without the consent.
- Copying and pasting from websites required permission and these may already expressed in website notices.
- Deep linking & Framing:
  - Controversial as potential advertisement revenue loss for owner.
  - Framing is seen as effectively hijacking another site's content as opposed to a straightforward link.
- Peer-to-peer file sharing can infringe - 'Ignorance is not a defence'.
  - In the UK the BPI has launched over 140 cases, most being settled out of court for up to £6,500.

## 13 Enforcement

- Typically slow, expensive and complex.
- Can end up on appeal in High Court
- Requiring team including a barrister, solicitor or patent attorney.

### 13.1 Copyright

As copyright is not registered, three tests to pass for infringement:

- convince a court that your complaint concerns copying and not independent creation
- demonstrate copyright ownership of original work

- show that the work falls within the scope of those creative works afforded protection under the Act

Infringement can also occur when a **substantial** part of a work is copied directly or indirectly. Even very small part may count as substantial.

Also an Infringement:

- to remove or alter of electronic rights management information without permission;
- to circumvent effective technological measures
- by manufacture, import, distribution, sale, rental, possession or advertisement for commercial purposes of products, components or services intended to achieve either of the above.

EU's Electronic Commerce Directive: protects ISPs from infringement when:

- acting as a mere conduit;
- caching; or
- hosting.

Unregistered designs are enforced in a similar manner to copyright.

## 13.2 Patent

- Assumed to be valid
- Validity can be challenged.
- Infringement: if all of the features of a granted claim have been performed or included in the infringing product.
- If a claim includes a requirement that is not performed or included, this is not infringement.

## 13.3 Registered trade mark

Assumed to be valid unless called into question.

Infringement includes:

- use of identical mark for identical goods and services;
- use of identical mark for similar goods and services;
- use of similar mark for identical goods and services where there is a likelihood of confusion by the public;
- use of similar mark for similar goods and services where there is a likelihood of confusion by the public; or
- use of identical or similar mark to one having a reputation in Ireland where unfair advantage is taken or use is harmful or detrimental to the repute of the mark.

## 13.4 Registered design

Have assumed validity unless it is called into question.

However, unlike patents and trade marks, there is little or no examination during the registration of a design and the validity and scope of protection will be assessed during court proceedings. \*Look up Dunnes stores case!

Infringement by:

- the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied; or
- stocking such a product for those purposes.

### 13.5 Remedies

Various remedies are available:

- Injunction restraining the defendant
- Damages
- an account of profits and costs

No recompense for 'innocent' infringement, so it is important to mark your product with the trade mark number, registered design number or patent number to ensure that others are aware of the existence of your rights.

#### 13.5.1 Injunctions

- An interlocutory or interim injunction is granted to stop the defendant performing certain acts before the case reaches full trial to stop large and irrecoverable damage.
- Only granted only if strict requirements are met in terms of proving irreparable damage and the owner giving undertakings to compensate the alleged infringer if the proprietor fails at trial.
- If the proprietor is successful in proving the validity of the IPR and in proving infringement, the court will impose a full injunction against the defendant to stop the defendant repeating the infringing activity.

#### 13.5.2 Damages and account of profits

- Damages represent the monetary value of the damage incurred.
- Account of profits represents the profits made by the infringer by the infringing activities.
- Owner has the option to elect for either damages or an account of profits.
- Damages are more commonly requested than an account of profits because they can be calculated by the plaintiff, rather than having to rely on and argue over alleged profits made by the defendant. However, the actual selection should depend of the financial circumstances.
- Subject to the six-year limit in the Statute of Limitations Act.

#### 13.5.3 Costs

- Legal costs incurred in bringing the action.
- Court will grant the winning party its costs, which would have to be paid by the losing party.
- However, costs are 'taxed' by the court, i.e. exclude any wasted costs or costs incurred in matters the winning party did not succeed on.
- In practice, the court will only award 50%-75% costs incurred, the winning party will almost always be out of pocket.

#### 13.5.4 3rd party assistance

For cases involving pirated or counterfeit goods

Include:

- Federation Against Software Theft (FAST),
- Revenue: Customs & Excise

### 14 Counter Enforcement

#### 14.1 Unjustified threats

- For false infringement claims of patents, trade marks and registered designs,
- Innocent party can claim: **unjustified threat**.
- Remedies include damages, a declaration of non-infringement and an injunction preventing such threats.
- Important not to take any initial action without first seeking advice

#### 14.2 Avoiding a finding of infringement

If accused of infringement, you should check the following.

- Has the patent/trade mark/registered design been granted?
- Is it still in force?
- Does the alleged activity actually fall within the scope of protection?
- Are the infringed rights valid? Consider arranging for further searches with a view to counter-claiming for revocation of the patent, trade mark or design.
- Even if all the checks are adverse you should consider 'designing around' the patent or negotiating a licence with the patentee.

#### 14.3 Request for revocation

- Revocation of registered rights can be requested at any time
- It is common for a counter-claim of revocation to be brought in response to infringement proceedings.
- Main ground used is that the IP did not satisfy the necessary legal requirements for grant or registration.