

# INTRODUCTION TO INTELLECTUAL PROPERTY

**The basic principles for your  
organisation**

# DISCUSSION OUTLINE

Fundamentals of intellectual property

1. Nature of IP
2. Types
3. Ownership

# SECTION 1: INTELLECTUAL PROPERTY

# CAPTURING VALUABLE IP

- What is IP?
  - The fruit of your intellectual endeavours.
  - A product of your mind or your intellect: your knowledge, creations and discoveries ...
- Why is it valuable?
  - Differentiation from other companies
  - Reputation



# WHERE DOES IP SUBSIST?

## Recognising IP

- IP rights exist after a formal application and registration process is complete, although some rights arise automatically.
- IP rights are Intangible: different to physical property and devices on which IP might be stored.
- Difficult to see, identify when stolen and know if someone is infringing your IP

## Sources of IP

- Information and materials
- Brands, reputation, name, logo
- Ideas and know how
- Publications, training materials and websites

# SECTION 2: TYPES OF INTELLECTUAL PROPERTY

# TYPES OF IP

## 1. Trademarks

- These are marks or signs used to distinguish goods or services.
- E.g., brands, logos and product marks

## 2. Copyright

- Original ideas and information expressed in material form.
- E.g. articles, drawings, diagrams, songs
- There are overlaps between trademarks and copyright.

## 3. Domain names

## 4. Confidential information

- Legally recognised as confidential due to the circumstances of creation and disclosure
- E.g. client lists, recipes, business processes
- Only confidential until publicly disclosed
- Privacy (databases)



# 1. TRADEMARKS

Trademarks can be registered or unregistered

## Registration

- Registration provides stronger protection
- Must be distinguishing i.e. can't be generic or descriptive
- Australia has a registered trademark system for:
  - Names
  - Logos
  - Devices
  - Sounds
  - Smells
  - Colours
  - Shapes
- Register with IP Australia for the specific class that relates to the goods or services to which they apply.
- Registration of a business or company name with ASIC does not confer IP rights in the name – need to register the trade mark with IP Australia.

# 1. TRADEMARKS

## Protection for 10 year intervals

- A trade mark is initially registered for ten years and may be renewed indefinitely for ten year periods upon payment of renewal fees and as long as the mark is not struck off for a reason such as non-use.

## Exclusivity

- Once registered with IP Australia, the owner has the exclusive right to use, license or sell the trade mark in relation to the goods or services covered by the registration.

## Assignment and licensing

- If an owner licenses or assigns the mark, or receives royalties as payment for the mark, there may be tax implications.

## Consistent and regular use

- To ensure that a registered trade mark retains its exclusive rights it must be used regularly and consistently. It should be used consistently in the same form/style as it has been registered on the register.

**® symbol should be used to denote a registered trademark**

# REGISTRATION

## Searches

- Prior to using a trade mark or applying for its registration, a thorough search should be conducted to locate any trade mark applications or registrations which may be an infringement risk or registration obstacle.

## Application

- Identify the mark
  - Applicant name
  - Clear representation
  - Goods and services covered by the mark
- Trademarks that are generic, or descriptive of the quality or characteristic of goods or services to which it relates, are difficult to register.
  - Trademarks are registered in classes
  - Applications are then subjected to both a general formalities and substantive examination. Once the application is accepted, the trade mark is advertised in the *Official Journal of Trade Marks*.



# REGISTRATION (CONTINUED)

## Opposition period

- Accepted applications are vulnerable to opposition for two months after the advertisement date. If no oppositions are filed or if all oppositions are unsuccessful, the trade mark is registered upon payment of the registration fee.

## Logos

- Ownership of IP in a logo should be expressly outlined and recorded. This is particularly important in circumstances where an entity or individual has been paid to design your logo for you because, unless specified, the author will own the IP in the logo. This is because the logo will be an original work protected by copyright.
- Payment to the designer for the work in designing a logo will not in itself create ownership rights. It is prudent to enter into a contract with the designer which addresses ownership in the logo.
- Registration of a logo as a trademark can also provide a level of protection for your brand.

# ENFORCEMENT

A trademark is infringed if the same/similar mark is used by a third party without the owner's permission in relation to similar goods or services.

## Opposition to registration

- Proceedings opposing the registration of a trade mark may be brought before IP Australia.
- To successfully oppose registration, a party must establish one of the statutory grounds, such as that the proposed trade mark is in conflict with an earlier trade mark that has acquired a reputation in Australia.



# ENFORCEMENT

## Trademark infringement

- Owners of registered trademarks have the right to take action for trademark infringement.
- Infringement takes several forms such as unauthorised use of a mark which is substantially identical with or deceptively similar to the registered trade mark in relation to goods and services for which the mark is registered.
- If your trade mark is infringed – act quickly - action can be taken under common law for passing off, as well as under the Trade Marks Act

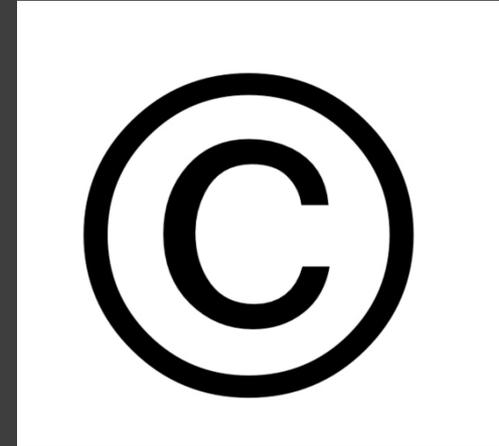
## Enforcement

- Action for infringement can range from sending a **letter of warning** to initiating **court proceedings**.
  - ❖ **Passing off**
    - Unregistered trade marks may be protected in Australia under the common law action for passing off in circumstances where goods or services are “passed off” as those of another.
    - To protect the existence of an unregistered trade mark, an existing reputation must be demonstrated so that the law will step in and prevent others from using the unregistered trade mark.
  - ❖ **Australian Consumer Law**
    - The Australian Consumer Law may also protect an unregistered mark for conduct which is misleading or deceptive or is likely to mislead or deceive.

# 2. COPYRIGHT

## Overview

- There is no registration system for copyright in Australia.
- Copyright automatically arises on the creation of original literary, artistic, musical and dramatic works. Copyright in a work arises when an idea is first expressed in a tangible form.
- Copyright does not protect ideas alone – it protects original ideas and information which are written down or ‘fixed’ in material form.
- The person claiming copyright must have a sufficient connection with Australia (eg. the author is an Australian resident, or is a resident of a country connected with Australia via an international treaty); or the work must have been published for the first time in Australia or a country connected with Australia via an international treaty;



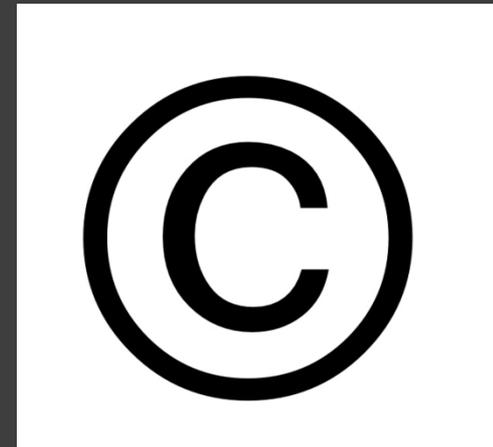
## 2. COPYRIGHT

### Protected under federal legislation

- Protects the owner from unauthorised copying, display, distribution and sale of the work.

### Exclusive rights

- Reproduce in material form
- Publish
- Perform publicly
- Communicate publicly
- Adapt (except for artistic works)



### Crown copyright

### Assignment and licensing

- Copyright may be assigned or licensed to a third party. There are several ways in which copyright may be licensed and payment received, including receiving royalties. However, it is important to be aware that these options may attract tax consequences.

### © symbol not compulsory

# 2. COPYRIGHT

## Infringement and enforcement

- Copyright is infringed when a person uses all or a substantial part of copyright material in one of the ways exclusively designated to the copyright owner without their express or implied permission, or where no defence or exception to infringement applies.
- Examples of copyright infringement include photocopying, emailing, broadcasting or printing material or recording a video that incorporates music that is subject to copyright protection.
- Exceptions to copyright infringement are referred to as 'fair dealing' defences. These include using the material for the purposes of research and study, parody and satire.
- There is no general exception for not-for-profit community organisations.
- Action for infringement ranges from contacting the alleged infringer to initiating court proceedings.
- Litigation must be commenced within six years from the date of the infringing act.
- The Copyright Tribunal of Australia also has jurisdiction to deal with matters primarily relating to licensing.
- If your copyright is infringed – act quickly - request the infringer to stop, request the infringer to acknowledge you as copyright owner (and pay a licence fee for use) or take legal action

# EXAMPLES

- **Expression, not ideas**
- **Copyright arises in original works:**
  - Literary
  - Artistic
  - Musical
  - Dramatic
- **Federal statute also recognises copy right in other subject matters:**
  - Cinematograph films
  - Sound recordings
  - Broadcasts
  - Published editions
- **Multiple copyright**
  - Works can be the subject of more than one type of copyright.
  - For example, a TV commercial may include separate copyright in the script, musical score, lyrics, sound recording and the cinematographic recording.

## Literary works

Books  
Source code  
Letters  
Emails  
Reports  
Fact sheets  
Articles  
Music lyrics  
Written website content

## Artistic works

Logos  
Paintings  
Drawings  
Photographs  
Graphic design work  
Computer-generated graphics

## Musical works

Musical score for a song

## Dramatic works

Plays  
Dance choreography

# MORAL RIGHTS

Moral rights are personal rights that belong to the individual author or performer of copyright material.

Australian copyright law also recognises and provides for the protection of moral rights which provides authors both the right of attribution and the right to have works subject to copyright treated with integrity.

- Distinct from copyright
- Cannot be assigned or waived
- The person who has the moral rights can consent to certain uses of their material.
- Three moral rights
  - Right to be attributed
  - Right that others not be attributed
  - Rights of non-derogation



moral

# 3. DOMAIN NAMES

- Internet addresses ending in '.au' are registered in Australia.
- The au Domain Administration (auDA) is responsible for administering and regulating .au domains.
- Various classes of domain names ending in .au may be registered including asn.au, com.au, id.au, net.au, org.au and edu.au.
- Commercial entities operating in Australia favour domain names ending in .com and .com.au.



## Registration

- To register for an .au domain, the domain name must be available and the business must meet the auDA's policy on domain name eligibility and allocation.
- One of the important requirements is a close and substantial connection between the business and domain name. This can be demonstrated by reference to the trade marks, nicknames or acronyms of an entity not just its company or business name.
- Registration of a .com.au domain name does not create any proprietary rights in the name.



# 3. DOMAIN NAMES

## Registration (continued)

- Australian courts will recognise rights in domain names where there is a reputation or goodwill in the name. Therefore it is important to conduct a business name registration search as this will indicate whether an individual, partnership or company carries on business under a specific name.

## Enforcement

- Domain disputes can be dealt with by way of:
  - Letter
  - auDA dispute resolution policy (auDRP)
  - Litigation
- The auDRP operates to provide a cheaper and speedier alternative to litigation for the resolution of disputes between the registrant of an .au domain name and a party with competing rights in the domain name.



## 4. CONFIDENTIAL INFORMATION

- Nature of confidential information
- Authorised disclosure
- Circumstances of creation and disclosure
- Trade secrets
- Personal information governed by Privacy Laws



# SECTION 3: OWNERSHIP OF INTELLECTUAL PROPERTY

# OWNERSHIP

## Who can own IP?

- Organisations
- Individuals
- If you create the IP, there is automatic ownership depending on the type of IP.
- If someone else creates the IP:
  1. Assignment – transfer of ownership (eg where work is commissioned from a third party)
  2. Licence
- You don't necessarily own IP created by an employee – make sure employment contracts assign all IP rights to company
- You don't own the IP if it has been created by a contractor
- Don't necessarily own IP even if you paid for it – eg commissioned drawing



## Joint ownership

Joint ownership is complex, needing the consent of other owners to use

# EMPLOYEE CREATIONS

The following needs to be considered when determining if IP created by an employee is owned by the employer:

- Employment agreement – scope of duties
- Assignment of IP
- Moral rights
- Confidential information
- Non-compete



# PROCURING IP FROM THIRD PARTIES

- User generated content, commissioned works and sponsorship
- Written agreements
  - Term
  - Users
  - Purpose
  - Payment
  - Warranties
  - Moral rights
- Collaborators and funding
  - What are respective contributions
  - Background IP and project IP
  - Confidentiality / research agreements
  - Who owns IP and what are licensing arrangements



# WHAT CAN GO WRONG?

## ❖ Importance of ATMOSS search

- Before you use a name, conduct a search of ATMOSS to ensure it is not registered to another entity

## ❖ Copy/paste from the internet

- Do not use or copy materials from the internet. These cannot be reproduced just because they are in the public domain

## ❖ Use of images of people

- There are privacy and consent issues associated with using images of people



# EFFECTIVE BRAND STRATEGY

## Securing the corporate “look”

- Trade mark searches
- Trade mark registration
- Business name registration
- Domain name registration
- Assignment of copyright
- Consent for moral rights
- Understanding scope of licence

# IP PROCESSES

- Capture IP early
- Disclose IP in confidence to management
- Do not publish without consent
- Monitor for infringement

