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INTELLECTUAL PROPERTY BASICS

Basic Information on Patent, Trademark and Copyright Law



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INTELLECTUAL PROPERTY

WHAT IS INTELLECTUAL PROPERTY?

Ideas, inventions and other concepts basic are often times referred to as intellectual property. Intellectual property (referred to as “IP”) can take many forms, both tangible or intangible, and can encompass many different types of concepts or ideas. The types of IP familiar to most people include patents, trademarks, copyright and industrial designs.

Each of these types of intellectual property is different. Patents protect new inventions such as new products or processes. Trademarks cover the words, logos and slogans that are used to distinguish one's products or services from those of others—name branding. Copyright covers literary and artistic works, while industrial designs deal with the distinctive shape of objects like the Coca-Cola bottle.

This purpose of this booklet is to answer some of the most frequently asked questions about the various types of intellectual property and how IP rights are protected. Along with patents and trademarks and the other items listed above, it will also attempt to provide a basic informational outline on other common intellectual property issues, including trade secrets and confidential information, industrial designs, and the like. The text of this booklet is intended for a broad general audience and as such we will not go into complex legal wording or issues, but rather try to outline these basic concepts in layman's terms.

While the contents of this booklet should hopefully be enough to acquaint the reader with basic concepts of intellectual property and the types of issues which might apply to different situations, it is not intended as nor is it extended as a legal opinion on any particular topic. You should seek appropriate legal counsel on specific issues of concern or importance to you.

WHAT TYPES OF INTELLECTUAL PROPERTY CAN BE PROTECTED?

It is important to protect intellectual property since, like other forms of property it can be stolen or misappropriated; but unlike other property it can't be locked up. If your IP is stolen, a critical step in protecting your rights is to be able to prove it was your property in the first place. Proper documentation and evidence that the IP is yours is a major part of what IP protection is all about.

There are two types of intellectual property protection which can be used. Some types of IP are protected by statutes, which are the written laws of a country or jurisdiction, and others are protected under common law schemes or by judicial interpretation of the laws of a country or jurisdiction. In any particular case there may be a number of common law and/or statutory protection methods used with respect to a certain piece of intellectual property. The most common types of statutory IP protection are patents, trademarks, copyright and industrial designs. Other methods of protection which are available include plant breeders' rights protection and protection for integrated circuit topographies. Legislative schemes vary by country, so it might even be the case that a certain type of protection is available in one country, but something entirely different needs to be done in other jurisdictions to obtain equivalent protection. Contracts are a form of common law protection methods and can be used to protect trade secrets or confidential information, or to license the use of a statutory IP right.

Intellectual property protection regimes each have different rules which are applicable to them. For example, patents are granted for inventions that are new, useful and not obvious. On the other hand, a trademark is registrable for a mark or guise which you are either using or intend to use to identify your goods

or services to the buying public. Copyright law protects your rights in things like written materials and works of art. Unlike other forms of IP, copyright exists from the moment an original work is created.

It is important to keep in mind that protection may be limited by law. For example, patents are not granted for scientific theories or principles, laws of nature, methods of medical treatment, or ideas that are of a public nature or are obvious to someone dealing in the subject area of your idea or invention. In these cases, alternative protection methods need to be considered. Contractual protection (i.e. non-disclosure, non-compete and confidentiality agreements) and other common law methods can be useful where patent protection is unavailable.

Designing a comprehensive IP protection strategy may involve one or more methods of protection, depending upon a number of factors—the country or jurisdiction in question, as well as the specific facts of the type of intellectual property, and the objectives of the owner in seeking protection are all components of an effective strategy. Certain types of protective measures are better-suited to deal with certain infringements or uses. A lawyer and/or patent or trademark agent should be consulted for the most up to date information and guidance applicable to your particular set of facts and issues. A perfect example of the overlap of different intellectual property protection schemes is that of COCA-COLA. The name COCA-COLA is a trademark used by the company to distinguish their product. The formula itself is a trade secret which is held in secrecy, rather than being the subject of a patent. The shape of the old-style glass bottle was once registered as an industrial design, and could potentially be a 'distinguishing guise' form of a trademark in that it is instantly recognizable still as a trademark characteristic of a Coke bottle. Coca-Cola's advertising and songs would be

protected by copyright. There might be patents in place on various types of equipment used in the production or bottling process. This is one example of how different types of intellectual property protection can be employed to provide a multi-layered protective scheme to a particular property.

INTERNATIONAL PROTECTION ISSUES

Internationally, protection methods vary between jurisdictions. As a result of a number of international treaties, agreements and organizations, a number of rules and regulations allow for the filing of patents, trademarks, copyright, industrial design applications, and other forms of protection in most countries around the world, and in some cases claiming priority between various jurisdictions. The international filing system, however, contains a number of sometimes confusing time lines and deadlines, the observance of which are crucial to the preservation of your international IP rights. Your Canadian lawyer or patent or trademark agent can help you through the maze and see to it that filing and prosecution of international materials meets the various requirements.

PATENTS

Patents are the protection measure which applies to a new process or product, with some novel utility or a new or improved way of doing something previously known in the field. A patent provides the inventor or inventors with a limited monopoly under which they may exploit their invention. This monopoly provides the inventor with the exclusive right to make, use or sell the invention within the jurisdiction in which the patent is granted for a certain number of years, in exchange for disclosing the knowledge of the invention and its operation available to the public. Patents and patent applications which are disclosed by their inventors in turn provide a great deal of useful technical information to those interested in searching patents for such information. One source of such searching information are patent databases operated by various patent offices around the world – these databases can be accessed through MLT’s Intellectual Property Group web page at www.mlt.com/practice/intellectual.html.

WHAT IS PRIOR ART?

Often in patent documents, or during discussions with a patent lawyer you will hear the term “prior art”. Prior art is any printed information in books, articles, brochures and patent publications, as well as general knowledge, that was made public *prior* to the date of filing of a patent application. Such prior art can render a subsequently filed patent application unpatentable, either on the basis of lack of novelty, or obviousness, or invalidate a previously granted patent should the existence of the prior art come to light after the patent was granted.

WHAT IS PATENTABLE?

The first step in the patent process is to determine whether or not your idea qualifies for protection under the *Patent Act*. Generally speaking, new products, articles of manufacture, processes or methods, chemicals and compositions of matter (or improvements to the same) are considered to be patentable subject matter. Examples of unpatentable subject matter include methods of managing or organizing a business, new modes of teaching, scientific principles, the laws of nature and abstract theories.

In order for a new idea to be patentable it must be patentable subject matter, have utility, be novel, and be unobvious. There are very few inventions that are unpatentable due to subject matter. Generally, a new compound or process is patentable if it produces new and useful results. Specifically non-patentable items in Canada include higher life forms and methods of medical treatment. Exclusions to the realm of patentable items and processes vary by country, so you should consult a patent professional if you have questions in this regard. For example, business methods are now explicitly patentable in the United States, while there is some question as to the patentability of business methods in Canada and elsewhere at this time.

NOVELTY

Information regarding the fact that the same invention was known or used by others, or described in a printed publication prior to the filing date of the patent application would be considered prior art, destroying the novelty criteria of an application. In such cases, patentability can be destroyed if the invention is described in a single publication; the invention at that point is said to be anticipated. It is important to note that such a single reference must disclose all features of the invention.

This basis of disqualification refers to a “dead ringer” showing of the inventive subject matter in a single piece of prior art.

OBVIOUSNESS

Patentability can also be destroyed on the basis of obviousness. In contrast to novelty, obviousness renders an invention unpatentable if the invention can be said to be obvious by combining one or more prior art references, or by combining any number of prior art references along with any other types of publicly available information or the general state of practice in the field. The question to answer is whether, at the date a patent application is filed, an unimaginative skilled technician, in light of general knowledge and the prior art available to that technician at that date, would have come up with the idea without experimenting or thinking too hard about the solution to the problem— “of course it works that way” might be the phrase to describe the imaginary technician's response to your idea.

PATENTABILITY SEARCHES

Prior to undertaking the time and expense involved in the patenting of an invention, the inventor is well-advised to obtain an assessment of its “patentability”. Patents from all countries are relevant to the patentability of an idea in Canada (and elsewhere). A “perfect” search would review all patents and relevant literature from all countries. For reasons of practicality, a patentability search will usually examine the U.S., European and possibly Canadian databases, since these are where most patents are granted in the world. While a typical search is not exhaustive, it does provide a good idea of the state of the prior art as it relates to the proposed invention at a reasonable expense. In addition, a search can locate and provide copies of prior art which is required for the drafting of the patent application. The cost of a search will vary depending on the

nature of the idea and the time required to assess the search results.

An inventor may wish to do some basic patent searching for free via the internet. Access to many of the most popular patent searching websites is linked from our site at www.mlt.com/practice/intellectual.html. Patent searching databases can be reviewed by any number of different criteria to locate patents or information of interest in your particular technical area of interest. You should remember that most database searches, insofar as they depend on key word selection, are limited to that extent and relevant information can be missed by those lacking experience in searching strategies to be used with complex databases.

Your patent lawyer or agent has the tools and experience to conduct a more complete search and provide an opinion on whether your idea is patentable over the prior art already existing in the field of your invention. As discussed above, prior art consists of publications or other patents in the field of your invention. The cost of a prior art search depends on the sources consulted and the complexity of your invention. A patent agent might conduct either an electronic search for patent art of interest or a physical search at a patent office or information repository of interest.

There are numerous advantages to doing a comprehensive patentability search before proceeding to draft and file a patent application. These include the ability to fine-tune your own patent application based on problematic pieces of prior art revealed in the search to avoid Patent Office rejections based on those at a later date. In addition, the cost of drafting, filing and prosecuting a patent application is significant. Finding out about prior art that would be fatal to your patent application can save significant amounts of money that might otherwise be wasted.

FILING A PATENT APPLICATION

A patent application consists of the following elements:

1. Abstract;
2. Background;
3. Detailed description of your invention;
4. Drawings, figures or other demonstrative aids; and
5. Claims

To meet the standards which patent offices use to assess patentability, a patent application must describe the invention in sufficient detail to be understood by a person with ordinary skill in the technical field to which the invention relates. Such a hypothetical person is nominally referred to as a “person skilled in the art”.

The claims outlined in a patent application define the invention and thus the scope of potential patent protection. The remainder of the document operates to support the scope and contents of the claims (i.e. anything which is claimed must be explained in the remainder of the application in order to become a valid claim). This process of explaining your invention is known as “enabling”. Enabling your claims is critical as it will be the claims of your patent that will be interpreted by a court in a lawsuit for patent infringement.

Patent drafting, and specifically claim drafting, requires detailed legal and technical expertise to ensure the broadest and most complete coverage possible for an invention. Claims which are too broad or which are not supported by the remainder of the application are invalid and unenforceable. Claims which are drafted too narrowly might leave significant room to manoeuvre for someone to work around the claims of the patent in question. While it is relatively simple to draft a document that “looks” like a patent, without expertise in the art of drafting, it is likely that a patent drafted by a novice will fail to

fully protect the scope of an invention, or encounter difficulties during the prosecution process with a patent office.

Other than the applicant himself, a registered patent agent is the only person allowed to communicate with the Canadian Intellectual Property Office (CIPO). CIPO maintains a register of persons who are qualified as patent agents in Canada on their website. MacPherson Leslie & Tyerman LLP has a list of its patent agents which can be reviewed through our site at www.mlt.com/practice/intellectual.html.

Once a patent application has been filed, it will be examined by the Patent Office in each jurisdiction in which it has been filed. In Canada, examination must be specifically requested, with the request made at any time up for up to five years after the date of filing of the application.

It is important to recognize that patent applications are not simply approved as filed. A patent, when issued, is a grant of an important monopoly over the production, use or sale of an invention, the right which can be legally enforced against others. Accordingly, applications are subject to careful scrutiny by the Patent Office, who may reject an application on numerous grounds.

Examiners in each Patent Office will review the claims and disclosure to ensure that each claim is only made to subject matter to which you are entitled, and that various formalities are met. Additionally, the Examiner assigned to the case, who will be a person skilled in the technical field of the invention, will conduct a search of patent and non-patent literature to see what if anything similar, has been done previously in the field. It is entirely possible that the Examiner will then object to the contents of the claims or the patent application on the basis that the invention is not sufficiently different from the prior art to be entitled to patent protection. Exchanges between an

applicant/agent and the Patent Office will occur at this stage, the applicant/agent making arguments and effecting changes or amendments as necessary to satisfy the Patent Office. If the Patent Office rejects some or all of your application, there are avenues of appeal available. You should work closely with your patent lawyer and agent in the drafting and review of your patent application, as only you really know just what the scope of your idea is and what it includes.

If a patent application is found by the Examiner to be allowable it is then necessary to pay final issue fees and complete various other registration formalities, at which point a patent will be issued.

USING YOUR PATENT

Once a patent is issued, you now possess an exclusive right to practice the patent and enforce your monopoly. The right to practice the subject matter of your patent is not necessarily without impediment. For example, if a patent is an 'improvement patent' which improves upon or relies upon the subject matter of another patent, the holder of the improvement patent must have a license from the holder of the original patent to allow them to practice their improvement without worrying about infringing the original patent.

It is also important to note that obtaining your patent is only the first step in the process. Enforcing the rights guaranteed by your patent is also your responsibility. The government authorizes monopoly rights to your invention by granting the patent, but it is the responsibility of the patent holder to police and enforce their own patent rights.

The filing of a patent application does not create any legally enforceable rights in the invention under current Canadian and U.S. law, and the right to enforce your rights in an invention only

arise when the patent is issued. In some cases, you may be able to claim for infringements that occurred after the application was made available to the public but prior to the patent issuing. Canadian patent applications are made available or “laid open” for public inspection eighteen months after they are filed or when examination is requested, whichever is sooner. Persons who infringe the claims of a patent application after it is laid open will be liable for infringement, even though the action for infringement cannot be brought until after the patent actually issues. Since issuance may occur a number of years after laying open the right to recover some damages may be lost due to provincial statutes of limitations. Timely prosecution of a patent application is therefore important to preserve your rights as fully as possible.

A patent is like any other form of property and so can be assigned or licensed. An assignment transfers ownership of the patent to someone else, while a license provides someone with the right to use the patent while the ownership of the patent itself does not change. Licensing of patents and IP in general are potentially valuable revenue sources for many owners of IP.

DO I NEED TO HAVE A PATENT?

You do not need a patent in order to manufacture or sell your invention. However, if you do not obtain patent protection for your invention, there is nothing to prevent others from riding the coattails of your innovation, including selling it on the open market to the same customers which you might otherwise sell it to.

Even so, before patenting your invention, you should be aware of what you wish to achieve by patenting, be it a competitive edge or a permanent record of your contribution to your field of endeavour. Consultation with a patent professional can keep surprise and disappointment to a minimum.

WHEN SHOULD I FILE?

In most countries, the first person to file a patent application for a particular idea is the individual entitled to patent protection, versus the first to invent. So remember, in a competition between two inventors for the patent priority to the same or similar invention, “the early bird gets the worm”. Patent applications should be filed promptly and, in most cases, it is important that an invention be kept confidential until the prospect of filing of patent protection can be fully addressed. Public disclosure of an invention in advance of patent filing severely restricts the protection available to that invention. In Canada and the United States there is a one-year grace period following a first public disclosure within which to file a patent application. In most other countries, a prior public disclosure will invalidate any patent available for the invention.

In order to avoid filing problems in other countries where an application has been filed in advance of public disclosure, all other countries should be filed within one year of the original filing date. This can be done either through an international convention mechanism, or alternatively pursuant to the Patent Cooperation Treaty. An application filed pursuant to the PCT allows an applicant to secure a filing date and crystallize their patent application rights in multiple countries around the world with one filing. A patent agent can assist you in the design and implementation of an appropriate international filing strategy.

WHERE DOES MY PATENT PROTECT MY INVENTION?

A patent only protects your invention in the jurisdiction in which it is granted. For example, if you have a Canadian patent you are protected from others building or using your invention within Canada, as well as outside of Canada and shipping or selling it into Canada.

Since it is necessary to eventually file your patent application in each country or region in which you wish to be protected, some thought must be taken to evaluate which markets in which you wish to have a patent monopoly, balancing the cost of each patent against the commercial advantage to be gained. There are number of different international filing strategies which can be used - a patent professional can assist you in this regard in developing an appropriate international filing strategy to meet your business objectives.

PREFERRED PATTERNS FOR FILING FOREIGN PATENT APPLICATIONS

Inventors are often interested in obtaining patent protection in several countries. There are in some cases tactical considerations in favour of filing first into Canada, and then into the United States and other countries, or vice versa. In terms of the costs involved and the value of protection obtained, the United States and Canada are considered the “best buys.” Provided that the invention has not been disclosed prior to the filing of the first patent application, the Paris Convention will then allow international filings made within most countries within one year to be backdated to the original filing date. The following options are available to you in considering the filing of corresponding foreign patent applications:

1. The filing of separate national application in each country of interest, including any of the individual European countries;
2. Filing separate national applications for each country outside of Europe, and a single application in the European Patent Office (EPO) designating those of the participating European countries of interest; or
3. The filing of a Patent Cooperation Treaty (PCT) application designating the countries of interest to you.

INVENTION PROMOTION FIRMS

Invention promotion firms should be approached with caution and the promises they make to promote your idea should be regarded with suspicion. Before considering an invention promotion firm, see the United States Federal Trade Commission (“FTC”) Bureau of Consumer Protection website at <http://www.ftc.gov/bcp/edu/pubs/consumer/products/pro21.shtm> for more information on what to watch for and how to avoid being taken advantage of by disreputable firms. It is also advisable to seek references from any firm you wish to deal with.

SERVICES AVAILABLE FROM PATENT PROFESSIONALS

The following are some of the services which your patent lawyer can offer to you:

- patentability searches and opinions as to the patentability of your invention;
- drafting, filing and prosecution of patent applications in countries around the world;
- opinions as to whether or not someone is infringing your patent, or if you are infringing someone else's patent;
- searches and opinions on the validity of patent documents;
- advice and assistance in the enforcement of your patent, or where you are accused of infringing someone else's patent;
- assistance in the licensing, assignment or transfer of patent rights, or other patent-related aspects of business transactions.

TRADEMARKS

When was the last time you saw a product advertised by name brand, slogan or a logo on a jacket or sign? Probably today, yesterday, the day before, and the day before that. Each of these distinguishing names, slogans or logos is a trademark. Trademarks are a common and very effective way for companies to create an image in the minds of consumers about their products or services.

Because trademarks are so effective, a great deal of money is spent by the owners of these and other marks to develop eye-catching brand identities through word marks, slogans and logos intended to lead consumers to remember their product or service when, for example, walking down the aisle of your grocery store, shopping for clothes, or considering a new car.

The ability of a trademark to evoke a strong connection between the mark and a particular product or service makes a trademark valuable business property. The purpose of trademark law is to protect that value and to ensure that trademarks are in used to create the connection that their owners desire.

WHAT IS A TRADEMARK?

A trademark is a word, slogan, design (i.e. logo), three-dimensional form, sound, colour, or combination of any of these types of elements used to distinguish products or services from those of another entity and to identify particular products or services to the consumer. When you market a new product or service, you build goodwill in the image of your product or service. The colour of packaging, a logo, or a product name, all provide brand recognition that help to identify your goods or services and distinguish them from those of your competitors. A trademark registration protects the goodwill that is attached to

the name or other mark which identifies your goods and services to the consuming public. The traditional boundaries of trademark protection are broadening, allowing people to claim protection for a broader range of distinguishing marks or characteristics for their goods and services.

How important are your trademarks? Consider what the results would be if you were required to change the name under which you sell your goods and services. Especially when starting a new venture, having to change your product or company name, just when you are beginning to break through in the market can be devastating to a business. Yet, this is exactly what happens to emerging companies that don't properly research their potential product or brand names to see if someone already owns the rights to those names. Failing to properly research a trademark prior to adoption can result in you throwing away the public awareness and goodwill you've built in your goods or services because the trademark or other mark already belongs to someone else.

A trademark owner acquires some limited rights in their trademark simply by adopting and using it. However, trademark law provides that the legal rights that exist in a registered trademark are in many ways superior to the common law rights one gains by simple use of a trademark. People and companies that rely heavily on their trademarks or the goodwill in their brands are often best served by registering their trademarks. The most important rights given to the owner of a registered trademark include the right to exclusive use of the mark throughout Canada and the ability to sue for infringement of these rights.

PERFORMING A TRADEMARK SEARCH

As was mentioned earlier, it can be fatal for a company to develop goodwill in a name brand, and then find out that it was

prevented from using the name because they didn't realize someone else already owned the rights to use that trademark. As a result, we strongly recommend that the first step in choosing a trademark for use or registration is to conduct a trademark search. The trademark search has several purposes which include gaining a knowledge of the existing trademark landscape and identifying any existing trademarks or other impediments to the possible adoption or registration of your new trademark. A trademark search also provides business intelligence, allowing you to evaluate the competitive landscape in advance of launching a new product under a new trademark, or in a new market sector.

Various levels of trademark searching can be conducted. We recommend that, at a minimum, a trademark owner acquaint themselves with any previous marks within its channel of trade.

There are a number of free databases available for trademark searching over the Internet. As in the case with patent databases, it is important to realize the limitations of conducting your own key word or phonetic searching - marks which are spelled or referenced in different ways might be missed by a very basic search. Moreover, marks which are visually or aurally similar in terms of the idea conveyed may be regarded as confusingly similar and therefore it is always advisable to consult a trademark professional prior to adopting a trademark and investing into the marketing of products or services without fully anticipating the trademark landscape.

Searches of increased accuracy and complexity can be conducted on your behalf by a trademark lawyer or agent. A screening search of pre-existing trademark registrations or applications can be performed, or a search which includes the Internet and other common law uses of marks and different language can also be done.

Generally speaking, as the breadth or level of complexity of a search continues, the costs are higher, but should no competing marks be found, you can be more confident that you will be able to acquire the exclusive rights in your proposed.

FILING A TRADEMARK APPLICATION

If the landscape appears clear to proceed, the next step is to file a trademark application in order to seek registration of your trademark. You can file a trademark application to protect a trademark which you already use or which you simply intend to use. An important consideration in obtaining a trademark registration is that the goods and services must be fully and accurately described in terms acceptable to the Trademarks Office as this will define your scope of protection under the trademark. Your lawyer or agent can help advise you on the descriptive or distinctive nature of your proposed trademark and how best to list the goods and services you plan to use in association with the trademark. Getting the description right the first time can both speed up and reduce the costs of the application process. Like a patent, a trademark application can be filed and prosecuted on your behalf by your lawyer or agent.

HOW LONG DOES IT TAKE TO REGISTER?

In most cases, the registration certificate will not be obtained until 16 to 24 months following the filing of the application. Therefore it is often advisable to file as quickly as possible in the trademark adoption process, especially when it is anticipated that the registration is desired or required for business or IP enforcement purposes.

WHEN SHOULD I FILE A TRADEMARK APPLICATION ?

Unlike patents, where a public disclosure of your idea in advance of filing a patent application can have serious negative

consequences, trademark law works in exactly the opposite way. The mark can and should be used in public in association with your goods and services as soon as possible, even in advance of filing a trademark application if you so desire. The use of the mark should be properly documented so that the right use priority can be claimed when the trademark application is filed. The common law rights you have from simple usage carry over and are enhanced by registering a trademark.

WHAT ARE THE RULES FOR TRADEMARK REGISTRABILITY?

To be registrable, a trade mark must not offend any of the general trademark registrability criteria set out in the Trademarks Act, and must not be potentially confusing in its channel of trade with a previously filed or registered trademark.

The general trademark registrability criteria include the following:

- the proposed trademark must not be a generic term;
- the proposed trademark must not be confusing with an official or prohibited mark;
- the proposed trademark must not be “scandalous, obscene or immoral”;
- the proposed trademark must not falsely suggest a connection with any living or recently deceased person;
- the proposed trademark must not be primarily merely the name or surname of an individual who is living or recently deceased; and
- the proposed trademark must not be clearly descriptive of the wares or services themselves, nor deceptively misdescriptive.

These requirements ensure that consumers are not deceived as to the source of the wares and/or services and they protect consumers and producers alike from the extension of a trademark monopoly to one party for a commonly used or

generic term used within a market sector.

The second prong of trademark registrability is the consideration of potential confusion with any previously filed or registered marks in the same market or “channel of trade”. The rights of a trademark owner are conferred by the *Trade-marks Act* through registration of the trademark and include the exclusive right to use of the trademark throughout Canada in respect of the wares or services set forth in the registration, subject to adjudication.

WHAT IS TRADEMARK INFRINGEMENT?

Under Canadian law, the unauthorized use of a registered trademark on wares and/or services in the same or similar channel of trade in which the mark was registered constitutes trademark infringement. The test of trademark registrability is roughly the converse of an analysis of trademark infringement – if there is likely not infringement of a prior mark, then the registrability test is probably satisfied.

In contrast, infringement exists where there is a deliberate use of the owner's trademark or an essential portion of the mark, by someone other than the owner within the same or a similar channel of trade. A Court may “deem” that a registered trademark is infringed even if the offending trademark is used on somewhat different wares, or in a different geographical area, or if a “confusing” trade-mark rather than the identical mark is used. As stated above, the whole point of a trademark is to distinguish the wares and services of one provider from those of another, therefore when two trademarks from different owners can potentially be confused with each other, there is likely an infringement. Trademark law provides the set of rules under which legitimate trademark owners can enforce their rights against infringers to protect the value and goodwill of the legitimate mark.

PUBLIC AUTHORITY MARKS

Section 9 of the Canadian *Trade-marks Act* provides for the registration of “public authority” trademarks, known as “Official Marks”, by governments and quasi-governmental bodies. One advantage of such Official Marks is that the application process is greatly streamlined. In addition, an Official Mark is not limited to a particular channel of trade and will be advertised regardless of any confusion with similar previously registered marks. As such, a public authority mark has distinct advantages to those wishing and able to use it. The requirement as to what qualifies an entity as a “public authority” for the purposes of section 9 has been the subject of significant judicial consideration.

In finding that the Canadian Olympic Association was a “public authority”, the Federal Court of Appeal adopted the test that, to be regarded as a public authority, a body must:

- be under a duty to the public, must be subject to a significant degree of government control, and
- must operate for the benefit of the public

Typically public authority marks are limited in their availability. However, if your organization is a non-profit organization operating under significant governmental control for public benefit, you may qualify. Ask your trademark professional if you think these criteria may apply to your organization.

GEOGRAPHICAL SCOPE AND TERM OF TRADEMARK PROTECTION

A trademark registration provides you with nation-wide protection of your mark, in the country in which it is registered. Canadian trademark registrations are valid for a period of 15 years and can be renewed, unless cancelled for non-use.

LICENSING ISSUES

If your business involves licensing others to use your trademarks, it is essential that you be properly covered by trademark registrations and licensing clauses to maintain your own rights in your trademark. You should consult with an experienced trademark lawyer to ensure that the proper steps have been taken to protect your rights in your trademarks in advance of allowing the licensees to use your marks.

USING YOUR TRADEMARK PROPERLY

Many trademark owners have lost their trademark rights in the past because their marks have been misused. Take for example, “escalator”, “kerosene”, “corn flakes”, “linoleum”, or “shredded wheat” - which are all examples of trademarks which have been lost by their original owners because they became generic through general or improper use or enforcement. The following guidelines will help to ensure that a company's trademarks will avoid become generic so that the rights in the name are maintained for the benefit of the owner. These guidelines apply to advertising, product literature, business documents and correspondence, packaging and labels and any other place where the trademarks are used.

Similar to the concept of “too much of a good thing”, a trademark can become too successful and become generic or synonymous with a type of product or service. Once a mark becomes generic and is widely accepted as a term for the description of the type of goods or services with which it is used rather than with the goods or services of a particular person or company, anyone can use it. This is because the trademark no longer indicates to the general public or consumers of the products or services in question that the goods or services were made by the trademark owner, and this is a key requirement of a

trademark - it must be distinguishing.

A trademark represents not only a substantial investment of resources by a trademark owner but is also an asset which might have significant goodwill or value attached to it. For the consumer, a trademark provides a method of differentiating the products or services of various producers and allows them to easily identify their preferred brand choices. The following guidelines are ways in which to avoid “genericizing” a trademark.

1. TRADEMARKS ARE NOT VERBS

It is dangerous to use your trademark as a verb, since you risk the problem of your trademark becoming generically descriptive of the activity to which it refers. For example:

Right: “Send this package out by FEDEX courier”

Wrong: “FEDEX this package”

Right: “Make six copies for me on the XEROX copier”

Wrong: “XEROX six copies of this for me”

Right: “Please use TURTLEWAX”

Wrong: “TURTLEWAX my car”

2. DO NOT PLURALIZE A TRADEMARK

Since trademarks are adjectives which describe nouns, rather than being nouns themselves, they should not be used in plural form. Rather than pluralizing the trademark, the nouns which they describe should be pluralized.

Right: “Two FOSTERS beers”

Wrong: “Two FOSTERS”

In the case of trademarks which end in an "S", however, the treatment should be no different. The mark should not be adapted to imply the singular tense by removing the "s". For example:

Right: “A BAGGIES plastic bag”

Wrong: “A BAGGIE”

3. TRADEMARKS AND TRADE NAMES ARE NOT THE SAME

Trademarks are different from trade names, corporate names or business names. Trade names are proper nouns which can be used in the form of a possessive and do not require a generic modifier. Trade names *should not* be marked with a trademark symbol. Many companies use their trade names as trademarks. For example:

- Corporate Name: “These shirts are made by *Tommy Hilfiger Ltd.*”
- Trade Name: “These shirts are made by *Tommy Hilfiger*”
- Trade Name: “*Tommy Hilfiger’s* newest jeans are for women”
- Trademark: “Are those TOMMY HILFIGER jeans?”

4. TRADEMARKS SHOULD NOT BE USED IN A POSSESSIVE FORM

Trademarks should never be used in a possessive way, such as by adding “’s”, unless the trademark itself is a possessive mark, such as “WENDY’S restaurants”, “LEVI’S jeans” or “PEAR’S shampoo”. Trade names, unlike trademarks, can be used in a possessive sense.

5. AVOID GENERIC USE - TRADEMARKS ARE PROPER ADJECTIVES

Properly displaying your trademarks will distinguish your mark from the generic language with which they are used. For example, trademarks should either be used with Initial Caps, used with “Initial Caps” with quotes, or optimally CAPITALIZED COMPLETELY. Generic terms should always appear after the trademark - e.g. “LITTLE CAESAR’S pizza”. At the very least the generic term should be used after the trademark at least once in each written communication and where possible or appropriate also in all broadcast matter. Preferably this should be the first time the mark appears. Some examples of this are:

- FORD car;
- “Kleenex” tissues;
- DELL computer; or
- *Kodak* film.

Additional emphasis can be placed on trademarks by using the word “brand” after the mark - example, “SCOTCH Brand transparent tape”. Proper marking, discussed below, should also be considered.

6. SHOW PEOPLE THAT YOUR MARK IS IMPORTANT TO YOU

Additional emphasis can be placed on trademarks by using one of the universally acceptable symbols or methods of indicating trademark status. Some companies make the proper marking of their trademark status a requirement for each trademark on each piece of advertising material, packaging or other communication using their marks. Some of the marking methods are as follows:

- ® or Reg. Canadian Intel. Prop. Office if the mark is registered in the Canadian Intellectual Property Office.
- ™ for marks that are not registered.
- An asterisk (*) and footnote that the mark is either “Reg. Canadian Intel. Prop. Office” if the mark is registered in the Canadian Intellectual Property Office, or if the mark is unregistered, “A trademark of XYZ Company.”

TRADEMARK SERVICES

The following are some of the services which your trademark lawyer can offer to you:

- Trademark availability searches ranging from preliminary or knock-out searches to full comprehensive trademark searches reviewing both issues concerning registrability and risks associated with adoption within a particular jurisdiction
- Miscellaneous trademark advising and market entry advice

- Drafting and filing of applications for protection of trademarks in Canada and throughout the world via our network of trusted foreign associates
- Prosecution of trademark applications and handling opposition proceedings and negotiations relating thereto
- Portfolio management, including monitoring and prompt payment of renewal fees on trademark registrations in Canada or other countries through our agents.
- Infringement and validity searches and opinions
- Corporate intelligence gathering, trademark “use” investigations and due diligence in corporate transactions
- Name or application watches
- Domestic support and advising for foreign counsel
- Provision and enforcement of contracts, licensing and other agreements relating to trademark rights.

COPYRIGHT

WHAT IS COPYRIGHT?

The *Copyright Act* in Canada provides that an author or subsequent owner of a copyright is the only one with the right to copy a creative work or allow someone else to do so. Copyright includes the sole right to publish, produce or reproduce a creative work, perform a creative work in public or to broadcast that work to the public, to translate a work, or in some cases, to rent the work.

Copyright applies to a number of different media and items. For example, it applies to all original literary, dramatic, musical and artistic works. This includes books and other writings, music, sculptures and paintings, plays, television and other media broadcasts and programs, as well as computer software programs.

The copyright in such work covers the creative expression embodied in the work itself. In contrast, the theme or idea conveyed by the work is not protected by copyright nor in most cases is the title or name of the work. Therefore, *copyright protects the expression of an idea*, but not the idea itself.

WHO OWNS COPYRIGHT?

The owner of the copyright in a work is the creator of the work unless certain circumstances exist. If a work in which copyright exists is created by an individual within the scope of their employment, the employer is the owner of the copyright unless there is an agreement to the contrary. Similarly, the person who commissions the production of a photograph, portrait or similar item for payment, and has made that payment, is the owner of the copyright in that work unless there is some agreement with the artist to the contrary. Notably, copyright can be transferred. As such, while the author is the original owner of the copyright

in a work, they can transfer or assign their rights to another individual.

IS REGISTRATION REQUIRED?

Unlike a trademark, copyright does not need to be registered in order for one's full legal rights to exist. The copyright in a work arises at the time the work is created (i.e. from the moment the pen is put to paper). Since copyright automatically arises under law, it is not necessary to register the copyright to be protected. However, it is still considered wise to register the copyright and to indicate notice of your copyright on the work, in order to strengthen and evidence your copyright ownership.

HOW LONG DOES COPYRIGHT LAST?

The term of copyright in Canada continues for 50 years after the life of the author. This is the general case, although there are certain exceptions to this rule.

WHAT IS A COPYRIGHT NOTICE?

It is not necessary to mark your work in Canada in order to maintain a claim to copyright ownership. Be aware however, that in some other countries (e.g. U.S.A) it is necessary to put a copyright notice on the work. A copyright notice includes the ©, as well as the name of the copyright owner and the year of first publication. Even though it is not always required to put a copyright notice on your work, it is generally recommended that a copyright notice be used, since it serves as a legally accepted reminder to anyone reviewing your work that it is protected by copyright.

INTERNATIONAL PROTECTION

The copyright of a Canadian author is valid in foreign countries as long as the country in question is a signatory to one or more of

the international copyright treaties. Similarly, the copyrights of foreign authors are in most cases valid in Canada as well.

COPYRIGHT INFRINGEMENT

As with other forms of IP, while the Canadian Copyright Office will allow you to register your copyright and thereby gain access to the rights of a registered copyright holder. Nevertheless, the government is not responsible to prevent others from infringing your rights; that remains the responsibility of the owner or licensed user of a work.

Copyright is infringed when a person does something which is within the exclusive rights of a copyright owner without the owner's permission. For example, making copies of books, CD's, movies or computer software without permission are all activities that infringe the owner's copyright. Generally speaking, most copyright infringement consists of the copying or reproduction in a material form of a substantial part of a copyrighted work.

The legal remedies for copyright infringement include the award of damages or an injunction to prohibit further infringing conduct. Copyright owners can elect to either receive damages based on their actual damages suffered, including lost profits, or prescribed statutory damage amounts. The *Copyright Act* also allows for the creation of criminal sanctions for copyright infringement.

The *Copyright Act* exempts certain activities from copyright infringement, including “fair dealing” for the purposes of private study, criticism or review, and stipulates that any action for the recovery of damages or other remedy for copyright infringement must be commenced within a limitation period of three years.

COPYRIGHT SERVICES

The following are examples of some of the professional services which you might require regarding copyright:

- copyright searches
- drafting, filing and prosecution of copyright registration applications in countries around the world;
- opinions as to whether or not someone is infringing your copyright, or you are infringing someone else's copyright;
- advice and assistance in the enforcement of your copyright, or advice and assistance in the case where you are accused of infringing someone else's copyright;
- assistance in the licensing, assignment or transfer of copyright-related aspects of business transactions.

INDUSTRIAL DESIGNS

Features of shape or ornamentation that give a manufactured article visual appeal are known as “industrial designs.” Some objects that are the subject of industrial designs can also be protected by copyright, and some, in certain cases, can even be protected via trademark protection. However, a large number of such objects can only be protected by obtaining an industrial design registration.

Among the types of articles often protected by design registration are containers, furniture, home appliances, clothing items, and fashion accessories. Unlike a patent, an industrial design registration does not protect the functional features of an article, though sometimes both types of protection are available for a newly developed article of manufacture that incorporates both aesthetic and utilitarian aspects.

A design registration offers the opportunity for legal redress against others who subsequently produce articles with the same or very similar appearance. Industrial designs are valid for a period of 10 years before they must be renewed.

The nature of design protection varies from country to country. Throughout the world, the law governing industrial designs is very complex, in part because designs merge both form and function.

It would be difficult for a person without legal training in the field to try to make an assessment of whether copyright or trademark rights may be available to protect a particular design, whether the design may incorporate patentable features, or whether the design may more properly fall under the category of industrial design.

If you have created a new design, you should consult with a patent agent or lawyer who has experience in intellectual

property matters to ensure that potentially valuable rights are not lost.

INDUSTRIAL DESIGN SERVICES

The following are some of the services which your intellectual property lawyer or agent can offer to you in the industrial design area:

- searches and opinions as to the registrability of industrial designs;
- drafting, filing and prosecution of industrial design or design patent applications in Canada and abroad ;
- advice and assistance in the enforcement of your industrial design, or advice and assistance in the case where you are accused of infringing someone else's design;
- assistance in the licensing, assignment or transfer of industrial design ownership rights, or other related aspects of business transactions.

INTEGRATED CIRCUIT TOPOGRAPHIES

WHAT IS AN INTEGRATED CIRCUIT (IC) TOPOGRAPHY?

An integrated circuit is constructed from a number of layers of semiconductors, metals, insulators and other materials on a substrate material. The Canadian *Integrated Circuit Topography Act* and the corresponding Regulations refer to this three-dimensional configuration as “an integrated circuit topography”. The Act provides protection against the copying of a registered topography, but does not prevent others from developing IC products which use other topographies to provide the same electronic function or result. Like copyright law, the Act protects the expression of the idea and not the idea itself.

In certain objects, such as a RAM or ROM chip, an integrated circuit product is used to store a set of instructions for a computer processor. In these cases, in addition to the protection available for the integrated circuit topography itself, the set of instructions stored in the circuit might also be protected by the *Copyright Act* as a literary work. In certain cases it may also be patentable.

Other features of integrated circuit topographies or products might also be patentable and so patent protection should always be considered as part of an overall strategy to protect an integrated circuit topography. Protection for IC topographies is available in countries other than Canada, so one should also evaluate international markets as well, to decide whether protection abroad is needed or desired.

HOW LONG DOES PROTECTION LAST?

The *Integrated Circuit Topography Act* provides that a registered integrated circuit topography is protected for up to 10 years from the filing date of the application.

PLANT BREEDERS' RIGHTS

The Canadian *Plant Breeders' Rights Act* makes it possible for a plant breeder to obtain legal protection of the intellectual property in a new variety of a plant. Under this legislation, plant varieties can be protected for up to 18 years. All plant species except algae, bacteria and fungi are eligible for protection.

REGISTRABILITY CRITERIA

In order for a plant variety to be protectable or protected under this *Act*, it needs to be shown that the plant variety is new, distinct, uniform and stable. Protection under the *Act* is only valid in Canada, and so as is the case with protection of other types, it is necessary to specifically apply for protection of a plant variety in other countries if it is desired to do so.

CONFIDENTIAL INFORMATION & TRADE SECRETS

It may be that your idea is something you can make and sell, and yet the people who buy it will not be able to figure out how to reproduce or “reverse engineer” it. Industrial and chemical processes, along with food processing methods, sometimes fall into this category (e.g. the recipes for Coca-Cola and KFC). If this is the case, you might maintain your intellectual property as a trade secret. A confidential customer or client list is another prime example of something a business might want to maintain as a trade secret.

The advantages of trade secret protection include:

- Unlike a patent, your invention is not revealed, so that others cannot see what you are doing and how. This can make copying and infringement less likely; and
- The protection does not expire as long as the idea is kept secret. A trade secret can literally last forever.

Care must be exercised in the use and control of confidential information since the disadvantages are substantial as well and include:

- Should your secret become known there is no longer any protection. You may be able to sue the person who revealed it, but this may be small comfort; and
- Once your secret is out, someone else could make the same invention, or even patent it and prevent you from using it.

Trade secret programs can sometimes be implemented in concert with other intellectual property measures. Your intellectual property lawyer or agent should be consulted to design and implement a proper trade secret protection plan.

LEGAL SERVICES & TRADE SECRETS

The following are some of the services which your intellectual property lawyer or agent can offer to you in the protection and exploitation of your confidential information:

- Drafting of confidentiality, non-disclosure, non-compete and trade secret provisions;
- Implementation of workplace trade secret programs;
- Advice and assistance in the enforcement of your confidentiality protection, or advice and assistance if you are accused of breaching a confidentiality arrangement with someone else; and
- Assistance in the licensing, assignment or transfer of confidential information, in the course of business transactions.

DISCUSSING YOUR IDEA WITH A LAWYER OR AGENT

What should you do if you think that you have an idea for which you would like some type of intellectual property protection or advice? You can discuss that idea with a lawyer, a registered patent agent or a registered trademark agent who can advise you as to the appropriate type of protection.

An intellectual property lawyer is not necessarily a patent or trademark agent, and a patent or trademark agent is not necessarily a lawyer. A patent or trademark agent can discuss with you the particulars of seeking patent or trademark protection for your idea and can act on your behalf before the Canadian Intellectual Property Office.

An intellectual property lawyer can advise you on patent and trademark protection measures and the extent of other intellectual property legal issues. He or she can act on your behalf in the court system when enforcing your intellectual property rights. Intellectual property lawyers usually work in close affiliation with a patent and trademark agency firm, and vice versa. MLT has a number of lawyers and registered patent and trademark agents who can provide you with the full range of IP legal services.

There are a number of principles to keep in mind when speaking with a lawyer or agent regarding your idea:

1. Don't Keep Any Secrets

It will be necessary to fully disclose your idea. When dealing with a lawyer, those disclosures are governed by solicitor/client privilege and are held in confidence. Your lawyer can never disclose anything you discuss to anyone without your approval. When discussing your idea with your lawyer (if it makes you feel more comfortable), or your

patent or trademark agent (who is not a lawyer and your communications are not governed by any form of privilege), you should always feel free to ask for a signed confidentiality agreement. This provides you with some additional measure of protection.

2. Bring All Relevant Materials

Bring all of your relevant material with you to meet with your patent or trademark lawyer or agent. You should be prepared to leave some of this material behind for further study and use in the performance of various professional services related to your idea. Specifically, the material you should bring to a meeting includes a written description of your idea (which ideally should be signed and dated) along with whatever drawings or photographs, prototypes, models or other examples of your work that might be available. It is helpful if you can also provide a description of similar ideas of which you are aware so that you can explain and show the differences between those and your work. This will help to differentiate your idea from what others have already done. Copies of articles, brochures or photographs of other devices must also be fully disclosed. The more complete the information you bring with you to your instructing meeting with your lawyer or agent, the less time will have to be spent by your lawyer or agent gathering additional information from you. This will also help keep the fees charged as low as possible.

HOW MUCH IS IT GOING TO COST?

This is always an important question in everyone's mind. If you engage a lawyer or agent to act on your behalf in the filing of an application for patent, trademark or the like, the costs will consist of three distinct components:

1. Application Costs

The costs of applying for various types of intellectual property protection (including patents, industrial designs, trademarks, copyrights and others, involve the payment of set government filing fees at various stages in the filing processes.

2. Professional Fees

Also involved in the cost of such an application are the professional fees charged by your lawyer or agent. Fees charged by your lawyer or agent will likely be based on time spent discussing the matter with you and performing the services required to deal with an application. While some lawyers and agents will calculate fees on a hourly basis, others will operate on a flat rate basis, sometimes referred to as block fees, or task-based billing. While most professionals make a point of reviewing fees prior to starting work, make sure you are absolutely clear about how they will charge to avoid misunderstandings regarding cost.

3. Disbursements

Disbursements are any of the other miscellaneous charges that may be incurred in the carriage of your file. These may include the costs of computerized or physical searches, long distance telephone charges, photocopying charges and other office disbursements. Again, check with your professional at the outset to make sure you understand how disbursements are calculated and billed.

Costs will also vary from country to country, where multiple countries are being protected or enforced. Your professional will be able to advise you as to the costs of filing for protection of your IP in countries other than Canada.

Some try to keep costs down by doing some of the work themselves. Should you proceed to carry out some of your

intellectual property protection on your own, remember that you will still incur a number of costs including the government filing fees and other charges.

While the government filing fees remain the same regardless of who helps you, professional fees and estimated disbursements will vary between firms. Any professional advisor who you propose to engage with should be open to discussing the issue of costs with you. Review the cost of protecting your intellectual property in your first meeting with your lawyer or agent so that there is no misunderstanding between you.

IP BEST PRACTICES

Do:

- Feel free to have a confidentiality agreement signed by your lawyer or agent if it makes you more comfortable, before telling them your idea.
- Be as frank and complete as possible - err on the side of telling them too much, rather than missing the one seemingly obscure detail that is then reflected in additional working time later.
- Discuss fees and costs. An up-front understanding of costs between lawyer or agent and client is just as comforting and important to your lawyer or agent as it is to you.
- Be prepared to leave a specimen with your agent, whether that be a prototype, a written description, a drawing or the like. Also, come to your meeting prepared to leave behind copies of any material you will be referring to.

Don't:

- Disclose your idea in public in advance of ascertaining your intellectual property rights or protection strategy.

- Hold back any details or background information in discussion with your lawyer or agent, regardless of your own assessment of its relevance. Failing to fully inform your lawyer or agent invariably leads to increased costs once the deficiency in the information is discovered. In extreme cases, it could lead to losing the intellectual property protection that you are seeking.

MARKETING YOUR IDEA

The next question after a patent or trademark application is filed is usually along the lines of “How long will it be before the money starts rolling in?”. This is not an easy question to answer, and there are many different ways you can go about marketing your product or idea. Once you have a patent or other type of protection in place, you will need to find someone to manufacture your device, print a publication for you, etc. If you haven't done so already, you'll also need to find a market for your new product. The following checklist contains a number of points and suggestions for the inventor or holder of intellectual property to consider in looking at various commercialization strategies:

- Someone might find out about your patent or other intellectual property and approach you. Despite what they say about “building a better mousetrap”, it is unlikely that you'll be successful sitting back and waiting for the world to “beat a path to your door.” You should actively seek out marketing assistance or a marketing partner if you are seriously interested in pursuing the commercial exploitation of your idea.
- A marketing consultant can help you find ways to reach the market with your idea.
- Consult with an accountant, or tax or corporate lawyer, to be sure that proper business and financial planning measures are in place.
- Alternatively, you may find a company already in the market who is interested in producing and marketing your idea. Always remember that it is important to note in all disclosures of your idea to other parties for its evaluation, that unless your patent, trademark or other intellectual property application has already been granted and registered, your disclosure is to be made in confidence. Significant legal consequences can flow from

the disclosure of your invention in advance of either the filing or issuance of your intellectual property registration or application. Always insist on a non-disclosure agreement before communicating your ideas to others. Most organizations who you will approach will already have a standard confidentiality agreement form which they use to protect themselves since they may also be working in the same area. Your lawyer should be consulted with respect to any such agreement, and you should carefully maintain a record of everything which is disclosed in these situations.

- It is time and money well spent to consult an intellectual property lawyer when considering the preparation or execution of an intellectual property sale or license agreement with respect to your idea.
- An unsolicited approach from someone or some organization about helping you with your ideas from a marketing view point for evaluation, and to help you find investors, customers or the like, should be viewed with caution. Again, for your own safety these types of matters should be discussed with your IP lawyer before entering into any agreement.

MAINTAINING & ENFORCING YOUR RIGHTS

Proper protection allows you to license, sell, use, assign or otherwise deal with your intellectual property. It is, however, up to you as the owner of such intellectual property to try and interest others in obtaining and/or exploiting your property. It is also your own responsibility to prevent the unlawful use of your work. The government will not assist you in the enforcement of your intellectual property rights.

A common misconception is that once a patent or other statutory registration is obtained in respect of your intellectual property rights, the government will then enforce and protect your rights for you. It is up to you as the owner of an idea to protect your rights. As such, your job has only begun once an intellectual property is created. The assistance of a lawyer is usually employed in the enforcement stage of intellectual property protection.

ENFORCEMENT

Various avenues can be pursued if you find someone who is infringing upon your intellectual property rights. Your intellectual property lawyer can advise you on these various issues and enforcement measures.

One of the most obvious enforcement remedies is a Court action for infringement. A successful Court action can stop the infringement of your intellectual property rights and potentially recover damages or profits for you. A court action should be carefully considered, however, as it is of considerable expense and takes a lengthy period of time to carry through to its conclusion.

IMPROVEMENTS

If you, in your intellectual property, have used a portion of the intellectual property owned by someone else - for example, you have come up with an improved gadget that is based on and still employs the same principles as a protected gadget owned by someone else - you must have made arrangements with the owner of such other device so that you cannot be found to be infringing upon their intellectual property. Similar arrangements need to be made where portions of copyrighted works, or trademarks, are used.

LICENSING

It is also necessary to maintain strict control over the use and exploitation of your intellectual property, even after a license is granted or production is started. Your lawyer or agent can help you to monitor the status of various patent and trademark filings in a certain field or by a particular company or inventor, in order to keep an eye on the art in your field and watch for potential infringement. As well, you should ensure that the necessary measures are taken in licensing situations to preserve your rights as far as distinctiveness and use of your intellectual property are concerned. Failure to do so can have detrimental, and in some cases fatal, effects on your intellectual property rights.

MAINTENANCE FEES

Failure to pay the regular maintenance fees on your registered intellectual property interest can result in the loss of your rights. Your lawyer or agent can arrange for the payment of such fees on your behalf, and will take standing instructions from you to maintain your registration.

Given the complexity of maintenance rules in various countries for different types of intellectual properties, you should consider having an intellectual property lawyer attend to maintaining

your rights in force. Given that some of these maintenance deadlines can stretch twenty years or more into the future, you should ensure that your IP lawyer has a proper computerized intellectual property docketing system in place to monitor any changes in national laws and to timely meet all deadlines.

TAKING YOUR IDEA TO MARKET

Once you have determined that there is a market for your idea or product, you will need to make that idea or product available for sale on the open market. This process is commonly referred to as the “commercialization process”.

The commercialization of an idea or product can proceed in a variety of ways. Someone may find out about your patent or other intellectual property and approach you, you can approach existing companies already in the market that may be interested in producing and/or selling your product, or you can seek out a partner who can assist with getting your idea or product to market.

Poorly conceived commercialization processes can rob you of the value of your idea or product. As a result, you should plan your commercialization process carefully and customize it according to the type of intellectual property you have and the jurisdiction you intend to do business in. You should review and assess all of the commercialization processes available thoroughly and get advice early.

IP lawyers can help you plan and document a commercialization strategy that maintains your bargaining power and protects the value of your intellectual property rights throughout the commercialization process.

Unsolicited assistance from someone or some organization seeking to assist with the commercialization of your idea or product, should be viewed with caution. Some individuals and organizations may not have your best interests in mind or may not have adequate knowledge or experience to adequately protect your interests throughout the commercialization process.

If you are approached by someone looking to assist you with the

commercialization of your idea or product, do not sign any documents or agreements unless you fully understand their terms and the impact those terms may have on your ability to effectively commercialize your idea or product. If you have questions or concerns about the consequences of signing a document or entering into a business relationship, you should consult a lawyer.

A good commercialization strategy should address the following, at a minimum:

- Ownership of Intellectual Property
 - Are you selling your IP or granting a license to use it?
 - Are you retaining all IP and taking on all phases of the commercialization process yourself?
 - Are you entering an exclusive or non-exclusive relationship with a partner?
 - If you are working with a partner, who will own any IP that is developed during the business relationship?
- Compensation
 - How are you going to be compensated for your IP?
 - How will you confirm your compensation is being calculated accurately?
 - What does the potential revenue stream look like?
 - What is your tax exposure?
- Expenses
 - Who will manufacture your product or device and pay any related expenses?
 - Who will monitor and enforce your IP rights and pay any related expenses?
- Risk
 - Do you want to share the risks and returns of marketing your IP or not?
 - How will you monitor and enforce your legal rights?

- What is your liability exposure?
- Results
 - Is the “deal” sufficient to motivate the performance of your partner?
 - Is there sufficient time pressure to motivate your partner's performance?
 - How much time is allowed before concrete results must be shown?
 - What is the consequence if your partner does not show concrete results within a reasonable time?
- Exit
 - When and how will your relationship with your partner end?
 - What are your rights and obligations when the relationship ends?
 - Can you sell/assign your interest in the relationship at any time?
 - Can you take your IP back and go to market on your own if the relationship ends or if you are not happy with the results?
 - Are your exit strategies appropriate and sufficient for the commercialization process you have chosen?

ABOUT OUR FIRM

MacPherson Leslie & Tyerman LLP ("MLT") has a unique culture that emphasizes quality, cost-effective legal services, mutual respect and teamwork. The sophistication of our practice and our national reputation for excellence flow directly from that culture. We work hard to maintain it.

MLT has a broad client base that includes individuals, small businesses, governments, public agencies, and major national and international companies. The scope of our clients' legal work regularly leads to our involvement in significant and professionally challenging projects encompassing a wide range of legal issues. MLT's lawyers consistently perform legal work of the type and sophistication usually associated with major firms in larger centres.

A fundamental feature of our practice philosophy is that we see our clients as clients of the firm rather than of individual lawyers. This approach matches the expertise of our lawyers with the particular legal requirements of our clients to ensure that every client receives the best possible advice in a timely and cost-effective manner.

Finally, we see our firm as more than just a business enterprise. Our lawyers are encouraged to participate in professional, community and public service activities outside the firm. Members of our firm play prominent roles on the national stage, and as volunteers with local and national charities, cultural organizations, professional associations, political parties, and professional and amateur sports groups. Members of our firm are well rounded and engaged in rewarding activities with their communities and families.



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