

Intellectual Property dos and don'ts

**A guide written by the people
who do it every day**

Intellectual property is an asset to your business. Ensuring you have complete control over those assets and your intellectual property rights will help you grow your business through funding, investment, licensee / customer revenue or sale.

Whilst some of your intellectual property rights will arise naturally, you will need to apply for others. This guide will give you some insight into the dos and don'ts of patents and trade marks alongside some contractual considerations that may be applicable if you are looking to set up in the UK.

Contractual

Contracts

- ✓ Do make sure you fully understand the implications of the contract you are entering into and have it reviewed by your lawyer
- ✓ Do your lawyers truly know your sector? Verbal, badly worded and ambiguous contracts may save you the legal expense upfront but can cost you exponentially in the longer term
- ✗ Don't sign a contract that includes provisions that are illegal or unenforceable
- ✓ Do be wary of the implications of contracts governed by different jurisdictions

Confidentiality

- ✗ Don't disclose a third party's confidential information without its consent, you could be liable to that third party for breach of confidentiality
- ✓ Do only disclose information under a written confidentiality agreement and only receive information subject to such obligations if you really need to

Note: this can include information relating to current and future technology, commercial and marketing strategies, finances, personal and contractual relationships with third parties, such as customers and licensees. Whatever its nature, its unauthorised disclosure can be very damaging. e.g. it could result in competitors gaining knowledge of your commercial intentions.

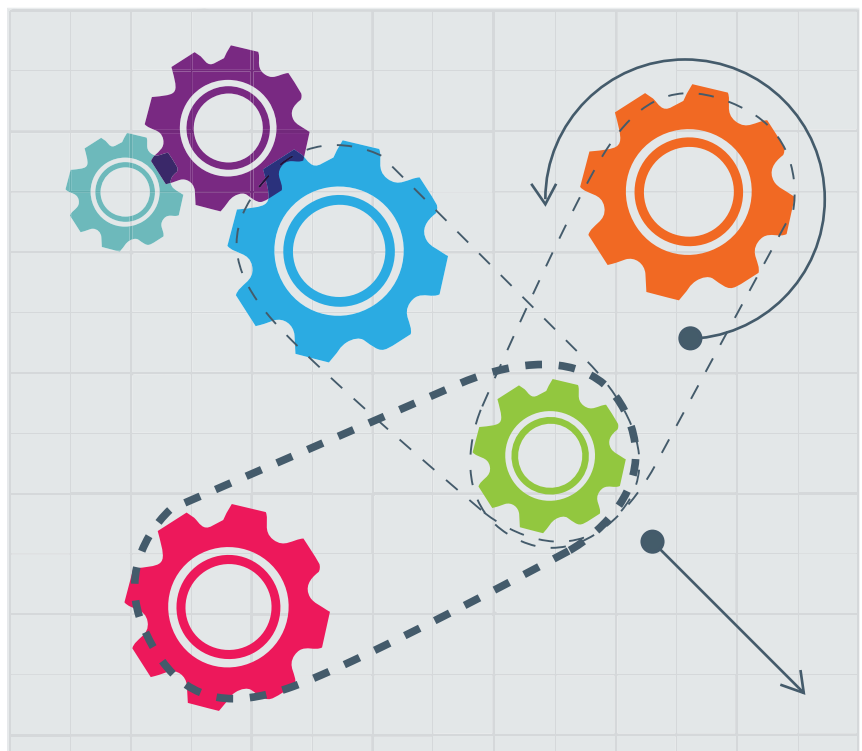
Preparing for investment or company sale

- ✓ From day one, you should identify companies you might want to be acquired by and conduct your company in a way that means they might at some point in the future want to buy or invest in you
- ✓ Do ask yourself the following questions:
 - ❓ *Is there a market for what your company does? This can be far more important than whether your product / technology is interesting or innovative.*
 - ❓ *How much of a threat is the competition, not just now but in the future?*
 - ❓ *Does the company have a product pipeline? Being a "one hit wonder" is no use in the long term.*
- ✓ Do make sure you have the right team. As well as having the right technical skill, they need to have the soft skills too e.g. get along with your investors

Patents

Patents can be an asset to your business and a promising prospect for potential investors and buyers. If you think you have a patentable invention, consider the following:

- ✓ Do operate a simple invention capture system (ideally based around an invention disclosure document) and encourage and educate your researchers to engage with the system. A little more effort up front can make the preparation of patent applications much simpler
- ✓ Do keep your inventions secret until your patent application is filed. Demonstrations of your product in public / online (unless specific circumstances apply) or any form of disclosure (e.g. oral or written) will be considered as “prior art” against a later filed patent application
- ✓ Do decide on a filing strategy and discuss this with a patent attorney or patent agent. Be clear on the reason(s) for proceeding with new filings and commit adequate effort and funds to the filing(s)
- ✓ Do plan for any upcoming deadlines so researchers (and patent attorneys) can, e.g. do the necessary research and / or experiments ahead of time. Once a patent application is filed, you should be aware that you will have a specific timeline to get everything done



Trade marks

Trade marks can also be an asset to your business and be a key component to protecting your brand. If you are thinking about registering a trade mark, consider the following:



- ✔ Do check that a mark is free to use and is not someone else's. It is a lot cheaper to check this at the beginning rather than dealing with any issues down the line

Note: For a period between January 2021 and September 2021, UK searches will still have to include the EU as many EU applications may not have been copied across to the UK register.

- ✔ Do consider carefully what it is you want to protect and where. Ask yourself the following:

- ❓ *What is the best mark to file for: a word, logo or combination of the two?*
- ❓ *Which countries do you want to cover?*
- ❓ *Is this likely to change in the near future?*
- ❓ *What goods and services are you providing now and are there any plans for this to expand in the near future?*

Note: From January, any protection for the UK will need to be filed separately from any application for EU protection.

- ✔ Do set up a watching service to check that no one else is filing for similar marks (once you have registered protection for your brands). This is a great way to stay on top of your brands

and can often help you avoid extensive legal action

- ✔ Do use your registered marks and keep evidence of your use across all markets. Many territories, including the UK and EU, require a registered mark to be used if you, the owner, want to keep it. You may need to provide evidence of use if your mark is challenged

Note: From January 2021, use in the UK and EU (i.e. EU 27) will be considered separately and so cannot be used to support marks in the alternative territory.

Note: It is also worth noting that some countries including the UK allow for protection of a mark if it has been used, even if it is not registered. These rights can accrue over time but not all countries (e.g. France) recognise these rights. This does not mean that it is not advisable to register a mark. Trade marks which have not been registered are a lot harder and more expensive to rely on, plus not as appealing to an investor.

Following on from this guide, if you have any further queries regarding your intellectual property, please do not hesitate to get in touch with us.

Contacts



Simon Portman
Managing Associate
sportman@marks-clerk.com
+44 1223 345520



www.marks-clerk.com

 @marksandclerk

 Marks & Clerk

m&c
Marks&Clerk