

Protect your intellectual property

A small business operator may need to fill many different roles - manager, operator, entrepreneur, even inventor. Your original ideas, concepts, designs and trade marks and those of your employees, can be the key to your business' success and should be protected.

If you do not control others' use of your intellectual property, your business may lose its competitive advantage and may miss out on profits that it is entitled to.

What is intellectual property (IP)?

Intellectual property is an expression used to describe a wide range of statutory and common law protection for the intangible products of human industry and creative effort such as literary and artistic works, music, film, broadcasts, drama and performances, goodwill, inventions, trade secrets, plant varieties, circuit layouts, trade marks and designs.

While some products or processes may easily be labelled as a single "type" of IP, many will incorporate a combination of various types of intellectual property such as copyright, trade marks, trade secrets, patents, industrial designs, circuit layouts and plant breeder's rights.

Rights in IP entitle the owner to do certain things at the exclusion of others. The owner of IP may agree to allow other people to do certain things with the IP. (See Licensing under the IP checklist below.) Alternatively the IP owner may decide not to retain ownership of the IP and sell or assign (transfer) the IP rights to another.

Protecting your intellectual property

It is important that on an ongoing basis, you understand the IP rights which may exist in the context of your business and are vigilant in their protection.

The strategy you develop to protect your IP should be tailored according to each particular set of circumstances. Each type of IP has different threshold protection requirements which gives rise to different rights and different terms of protection. The requirements and processes for protecting each type of IP in other countries may differ and specialist advice should be sought.

There are various forms IP that require registration for protection, including:

- **Patents** – to protect inventions of new or improved technology.
- **Trade Marks** – to protect a sign or marking used to distinguish the identity or source of goods or services.
- **Industrial Designs** – to protect the design and/or appearance of articles or produced goods.
- **Plant Breeder's Rights** – to protect new plant varieties.

Other IP rights that occur automatically upon creation and do not require registration for protection, include:

- **Copyright** – to protect works of art, music, literature, broadcasts, films, sound recordings and computer programs; and
- **Circuit Layout Rights** – to protect integrated circuit designs.

Checklist

- ☑ **Knowing what IP means and the formalities that apply:** While some types of IP rights exist automatically and are protected upon creation, others must be registered in order to obtain protection. However, depending on the value of the IP to your business, registration may not be time efficient or cost effective in all cases.
- ☑ **Consider who owns the IP:** Generally the person who creates the IP owns the IP. Where there are a number of people involved in the creation of IP they may own the IP jointly depending on the circumstances. However, these general rules of ownership can be modified by an agreement. It is therefore important that small business operators agree with the relevant parties early on, who owns what IP. This is particularly important in relation to contractors, consultants and employees. For example, in the absence of a written agreement to the contrary, a contractor will own copyright in works it develops notwithstanding any payment arrangements. Even in an employment context, it is prudent, in negotiated contracts of employment, or in employee protocols, to clearly spell out who owns IP created by employees.
- ☑ **Confidentiality:** It is very important that small businesses keep information relating to the operation of their business confidential. Information will only be protected for so long as it remains confidential. That is to say that the law of confidence ceases to apply when the relevant information becomes public knowledge. Unnecessary disclosures of any of your business' valuable information to third parties at the early stages of any negotiations or discussions should be avoided and disclosure of any confidential information regarding the business should not be made until the other party has signed a confidentiality agreement. Furthermore, it may also be wise to have a written confidentiality agreement signed by those staff members who are likely to become familiar with your IP and could potentially use it themselves or give it to your competitors.
- ☑ **Licensing:** The owner of the IP may grant another person the right to use the IP whilst still retaining ownership of it. Software is a common example. Any licensing arrangements should be in writing and should set out the terms and conditions on which the IP may be used.
- ☑ **Be vigilant:** Small business owners should be vigilant about monitoring the use of their IP by third parties. Swift action should be taken to stop infringements.
- ☑ **Use disclaimers and warnings:** Wherever possible, disclaimers, warnings and ownership symbols should be used to assert and inform third parties of your rights. The use of copyright notices, marking documents confidential and the use of trade mark symbols are all good business habits. For example, in relation to trade marks, the best practice for owners is to use the TM symbol for unregistered marks and the ® symbol for registered marks.
- ☑ **Obtain legal advice:** Obtaining legal advice in respect of any infringement of your IP will often prevent engaging in lengthy and expensive litigation in this area. Often infringements may be dealt with by requesting the infringer cease and desist the infringing conduct immediately.



› Driving the economic development of Queensland ‹

Developing a commercialisation strategy

Small business operators should seek specialist legal advice to assist in determining how they are going to commercialise their IP. The following are some common commercialisation methods used by businesses in relation to their IP:

- **Licensing** IP to third parties.
- **Selling** IP outright to a third party.
- **Manufacturing** products utilising the IP.
- **Franchising** IP by licensing out complete corporate image and product.
- Using IP as **finance** collateral, in particular to secure finance for your business.
- Contributing IP to R&D projects or for **joint venture** developments.

Note: It is very important that you seek to inform yourself of the legal consequences of joint ownership.

Further information

The following fact sheet provides further information about these issues:

- Patents

IP Australia is a good starting point if you would like to know more about protecting your IP. IP Australia is the federal government agency through which you can register patents, trade marks and designs. They provide very useful information about IP including a publication called *“Intellectual Property – Don’t Give Away Your Most Valuable Asset”*. You can access this information by phoning IP Australia on 1300 65 1010 or by visiting their website www.ipaustralia.gov.au.

Other agencies that may assist you in understanding how to protect your IP include:

Copyright:

Intellectual Property Branch, Attorney General’s Department –
Ph: (02) 6250 6313

The Australian Copyright Council – Ph: (02) 9318 1788 or

Web www.copyright.org.au

Patents:

The IP menu site, www.ipmenu.com includes a list with hyperlinks to subject specific patent resources (eg. chemical abstracts, rubber & plastics) and country specific resources listed alphabetically from Austria to the USA plus WIPO.

The International Patent Classifications are at

http://www.wipo.org/classifications/fulltext/new_ipc/.

General search engines, such as www.google.com may be useful in ascertaining prior use.

Circuit Layout

Intellectual Property Branch, Attorney General’s Department –

Rights:

Ph: (02) 6250 6608

Plant Breeder’s

Plant Breeder’s Rights Australia – Phone (02) 6272 3933 or Web www.daff.gov.au

Rights:

Other Agencies:

The Institute of Patent and Trade Mark Attorneys of Australia – Ph: 1800 804 536
IP Australia – Ph: 1300 651 010

For further advice on protecting your IP contact your solicitor and/or a qualified patent attorney.