

An Introduction to Intellectual Property Rights

Business Information Factsheet
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Introduction

Intellectual property (IP) rights help firms control how their IP is used. Although IP is particularly important to creative firms, almost every firm has IP that it uses to sell its goods or services. For example, a takeaway outlet that provides food in containers customised with its logo has IP in the logo, which a competitor can exploit by using the same or a similar logo to mislead customers.

This factsheet provides brief descriptions of UK and European IP rights.

Copyright

Copyright allows creators of the following types of original work to control how their work is used; literary, dramatic, musical and artistic work; sound recordings, film and broadcasts; and typographical arrangements in a published edition of literary, dramatic or musical work.

There is no need to apply for copyright; under the Copyright, Designs and Patents Act 1988 (CDPA), copyright arises automatically as soon as an eligible original work is recorded. The copyright in an original work belongs to its creator, unless they have agreed otherwise or the work is created during employment. Where an employee creates an original work in the course of their employment, the copyright in the work belongs to their employer, subject to contrary agreement. Copyright is usually indicated by the use of the internationally recognised © symbol.

Copyright in literary, dramatic, musical or artistic work, and copyright in films, expires 70 years after the death of the work's creator. Copyright in sound recordings and broadcasts expires 50 years after the work is created.

Database right

Database right arises automatically, under the Copyright and Rights in Databases Regulations 1997, where the creator of a database has substantially invested in obtaining, verifying or presenting its contents. The ownership right belongs to the database creator, subject to contrary agreement, and lasts for 15 years after the database is completed or published. The owner of the database right can stop anyone else extracting or reusing all or any substantial part of the database.

IP rights protecting designs

Design right

Design right arises automatically, under the CDPA, when an original design is created. The right belongs to the designer, subject to contrary agreement, and allows them to prevent anyone else

from copying the shape or configuration of the design (i.e., the 3D aspects). However, the 2D aspects of the design, such as colour, pattern or texture, are not protected.

Where a product manufactured to an original design is made available for sale or hire within five years of the design first being recorded or used in manufacturing, whichever is earliest, the design right in the original design expires ten years after the product is placed on the market. Otherwise, the design right will expire 15 years after the original design is recorded or used to manufacture a product, whichever is earliest.

Registered designs

The owner of a registered design has exclusive rights to make, use, sell, offer to sell, import or export products made to the design, or licence other firms to do the same. This protection extends to the 2D aspects of a design, meaning the owner of a registered design can, for example, stop anyone from copying the design's colour or texture. In October 2014, criminal offences were introduced in relation to intentionally copying a registered design.

Designs are registered with the Intellectual Property Office (IPO, www.gov.uk/government/organisations/intellectual-property-office) under the Registered Designs Act 1949 (RDA). An application to register a design will only succeed if the design is new; has individual character; is not offensive; and does not use protected emblems, flags or insignia. In addition, the appearance of the design must not be determined by its function. For example, a design for a bottle opener will not be able to be registered if the shape of the design is the only shape that will work to open bottles.

Applying to register a design costs £60, unless the applicant wants to delay registration for 12 months to, for example, give them time to develop a marketing strategy. An application for deferred registration costs £40. Registration must be renewed every five years, up to a maximum of 25 years. Renewal fees start from £130 for the first renewal.

Patents

Patents are used to protect original inventions. The owner of a patent has exclusive rights to make, use, sell, offer to sell, import or export the patented invention, or licence other firms to do the same.

Patents are granted by the IPO under the Patents Act 1977 (the Patent Act). An application for a patent will only be successful if the invention is new, inventive, and has an industrial application. In addition, the invention must not be considered immoral or contravene public policy if it were made and used, and cannot be a scientific or mathematical theory or method; an animal or plant variety; a certain type of computer program; a way of performing a mental act, playing a game or doing business; a method of medical treatment or diagnosis; or a work of art, music or literature.

It usually takes between three and four years to patent an invention. After filing their patent application, an applicant should receive a filing receipt with their application number and filing date. They will then have 12 months before they have to take the next step in the process, which involves paying an application fee of £30 and search and examination fees totalling around £250. Patents must be renewed four years from the filing date, and then every year on or close to the filing date. Renewal fees increase each year, starting from £70 for the first renewal.

Registered trade marks

Registering a trade mark allows the trade mark owner to take legal action to prevent its unauthorised use and enables Trading Standards and the Police to bring criminal charges against counterfeiters using it. The owner of a registered trade mark can also sell, franchise or licence it to others, and raise capital by mortgaging the trade mark. Registered trade marks are usually indicated by the internationally recognised ® symbol, and it is an offence to use this symbol for non-registered trade marks.

Trade marks are registered by the IPO under the Trade Marks Act 1994. The IPO cannot register a trade mark where one or more of the absolute grounds for refusal listed in Section 3 of the Trade Marks Act 1994 apply. For example, the IPO cannot register a trade mark that cannot be represented graphically, is devoid of any distinctive character, or consists exclusively of words or symbols that describe the type of goods/services or the geographic location of the applicant's business.

Registering a trade mark takes around four months. Applications to register a trade mark must be made by completing and submitting form TM3, which involves listing the goods and/or services that the trade mark is used for. These must fit into one or more of the 45 different class headings in the IPO's classification system.

For example, a clothes and furnishing manufacturer will apply their trade mark to clothing, footwear and headgear (class 25), bed linen (class 24) and rugs (class 27), and a solicitors' firm may use their trade mark to advertise both legal services (class 45) and financial services (class 36).

TMclass (<http://oami.europa.eu/ec2>) is an online tool to help trade mark owners classify their goods and services correctly. Applying to register a trade mark costs £200, or £170 if registering online, plus £50 for each additional class. Registration must be renewed every ten years, which also costs £200 plus £50 for each additional class, and there is no maximum number of renewals.

International IP rights

Unitary rights

A unitary IP right is a single right that provides protection in multiple countries. Unitary rights are 'all or nothing'. For example, a unitary right provided for by European Union (EU) law, such as registered community design, provides protection in all EU member states - it cannot be limited to provide protection in some member states and not others. Although some international IP rights are described as if they are unitary rights, in reality, they consist of a bundle of national IP rights. For example, a European patent actually consists of a collection of national patents. Unlike unitary rights, these types of right are not 'all or nothing' - for example, it is possible for a European patent to protect an invention in the UK, Germany and Spain, but not in any other EU member states.

An overview of international IP rights

Unregistered community design (UCD)

- UCD is a unitary right that allows the rightholder to prevent anyone who has intentionally copied the design from selling the resulting products in any EU member states.

- UCD arises automatically when an original design is created by a designer in an EU member state, and lasts indefinitely.

Registered community design (RCD)

- RCD is a unitary right that allows the rightholder to prevent the sale of products made to the design in any EU member state. This includes products developed by a designer who was not aware of the RCD (innocent infringers).
- RCD is granted by the Office for Harmonization in the Internal Market (OHIM, <https://oami.europa.eu/ohimportal>) from around €350. It must be renewed every five years, up to a maximum of 25 years, from €90 for the first renewal to €180 for the fourth renewal.

International industrial design granted under the Hague System

- In reality, this is a bundle of separate national registered designs in countries designated by the applicant. (Designated countries must be party to the Hague Agreement.)
- Applications for international industrial designs must be submitted to the World Intellectual Property Organization (WIPO, www.wipo.int/portal). Once published by the WIPO, each designated country's IP office has up to 12 months to refuse registration; in the absence of refusal, the applicant will have the same rights as if they had registered a design under the country's national rules. An application fee of around 400 Swiss francs is payable (around £260).

European and international patents

- In reality, these are bundles of separate national patents granted in each country designated by the applicant. (Designated countries must be party to the European Patent Convention (EPC) or the Patent Cooperation Treaty (PCT).)
- Applications must be filed with the European Patent Office (EPO, www.epo.org) or the WIPO. Once the international stage of the patent process is completed, which usually takes between 18 and 30 months, each national IP office must decide whether or not to grant a patent. Opposing parties, such as an inventor holding a similar patent, have nine months from the grant to oppose the application.
- Filing an application costs up to 3,300 Swiss francs (around £2,200).

Community trade mark (CTM)

- This is a unitary right that enables the rightholder to prevent unauthorised use of the mark in any EU member state. CTM owners can also sell, franchise or licence their mark.
- A CTM is granted by the OHIM from around €900.
- Registration must be renewed every ten years from around €1,500.

International trade mark

- This is a bundle of separate national trade marks registered in each country designated by the applicant. (Designated countries must be party to the Madrid Agreement.)
- A trade mark can only be registered as an international trade mark if it is already registered at national level.
- Applications must be submitted to the WIPO via the applicant's national IP office. Following publication of the application by the WIPO, each national IP office has 18 months to inform

the WIPO of refusal to register; in the absence of refusal, the applicant will have the same rights as if they had registered the trade mark under their own country's national rules.

- Application costs depend on the number of designated countries.

Further information

BIF 94 How to Apply for a Patent

BIF 110 Choosing and Using a Patent Attorney

BIF 157 A Guide to Using the Copyright of Others

BIF 218 A Guide to Using Copyright to Protect Your Work

BIF 219 Registering a Trade Mark in the UK

BIF 249 How to Register and Protect Your Product Designs

Useful contacts

Intellectual Property Office (IPO)

Tel: 0300 300 2000

Website: www.gov.uk/government/organisations/intellectual-property-office

Office for Harmonization in the Internal Market (OHIM)

Website: <https://oami.europa.eu/ohimportal>

World Intellectual Property Organization (WIPO)

Website: www.wipo.int/portal

European Patent Office (EPO)

Website: www.epo.org

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