

INTELLECTUAL PROPERTY

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INTELLECTUAL PROPERTY

INCREASING COMPLEXITY OF MANAGING IP

By Sumi Nadarajah



**BUILDING AND MANAGING IP
PORTFOLIOS IS INHERENTLY COMPLEX
FROM A STRATEGIC POINT OF VIEW,
SINCE THEY CAN BE USED BOTH AS A
SWORD AND A SHIELD.**



Intellectual property (IP) is an integral part of any business strategy. Knowing how to manage your IP effectively can help you promote your business or maximise the impact of your research and innovation projects. Whether developing technology in-house or acquiring it from external sources, IP rights have a central role to play in every company's journey to the market. Managing IP assets requires time, effort and money. The main types of registrable IP includes patents, trademarks, design rights and copyright. The benefit of IP rights to prevent others from misappropriating trademarks, designs or other innovations is well known.

Building and managing IP portfolios is inherently complex from a strategic point of view, since they can be used both as a sword and a shield. Large enterprises often overlook the significance of leveraging IP with greater business objectives. They tend to hold hundreds of patents or trademarks but often lack a strategy to capitalise on those with existing products and greater business goals. SMEs also struggle with this as they often fail to invest sufficiently in IP protection and consequently fail to reap the resulting benefits.

IP management can be used for various purposes, including keeping competitors out of the market, obtaining leverage against others' IP, increasing the company's valuation, or simply safeguarding the proprietor's rights. It comes into play primarily when businesses need to effectively develop a system that

tracks and records IP assets in a streamlined manner. It is also essential in building a strategy dedicated to IP and aligning that strategy with the organisation's overall product and growth goals. Managing IP assets requires buy-in at all levels in any business which includes by the owners, developers/creators, legal, marketing and sales teams. Businesses must treat the process as one that affects internal and external stakeholders because this management is critical to the development, distribution, and sales of goods and services.

There are many aspects to the proper management of IP. This endeavour is constantly increasing in complexity with the advent of the technological era that we have now entered. IP professionals nowadays use software to manage all types of IP data, which assists them with the documenting of new and on-going filings as well as keeping an eye on infringements and enforcement. IP management systems can assist businesses in tracking patents, copyrights, trademarks, designs and other IP.

Good management and maximisation of IP requires an element of policing. Failure to protect IP properly could cost an owner or business not just money, but also, in some instances, the entire value of the business. The increase in IP litigation is impossible to ignore. There is a visible year-on-year rise in the number of cases pursued both in the courts and through the resolution procedures with the Intellectual Property Offices.

Below are some focus areas of importance in the proper management of IP:

Getting advice on IP protection at the inception of a business/project is almost always cheaper than having to seek advice on infringement later on. Seeking the correct legal advice from the start is paramount.

Identifying an IP strategy is key to a successful business. They should invest in on-going legal advice to consider short, medium and long-term goals for exploiting IP and making the most of a company's assets. Businesses should start managing IP at the early stage of any innovative process and need to develop an IP strategy to make proper use of IP rights from the start.

It is important to identify and monitor IP. IP audits allow companies to get a 360-degree view of their assets and identify opportunities or issues. Similarly, businesses should periodically seek a valuation of their IP portfolio.

IP contracts also require management. The type of contracts which would generally have a material IP element might include IP, technology or brand licences, joint venture agreements, research and development agreements, contracts for services and collaboration agreements. It is essential to make a record of dates (i.e. for reporting, payment of royalties, renewal dates for registered IP, etc.). This would all be effective preparation for the renewal or renegotiation of the contract or to efficiently manage a wind-down or transition. Another area is where an organisation grants licences of its IP, it is crucial to ensure that a clear record is kept of any such licences granted. As there are various types of licenses – for example licences may be granted by geographical territories, fields of use

and on an exclusive, sole or non-exclusive basis – it is important to ensure that these rights and restrictions are properly managed to reduce the risk of any breach of the licence agreement.

It can also be beneficial to keep an IP portfolio under review from a litigation perspective. This could allow a business to exercise contractual rights to transfer ownership where this may shift risk (e.g. where litigation is threatened in one jurisdiction, a global business could avail of the option in other jurisdictions to transfer its share of ownership to its commercial partners who may be better able to deal with any pending litigation thus reducing the potential liability).

Record keeping and recognition of ownership is crucial in the management of IP. For registered rights, it is important to keep a record of the registration and renewal dates and copies of the certificates. For IP that is developed internally, businesses should ensure that its employment and contractor agreements contain sufficient IP assignment clauses and associated provisions (including waivers of moral rights for any copyright). In the case of IP that is developed externally by a third party, it is important to ensure that a deed of assignment is prepared and executed between the third party and the business owner. For IP that is owned by third parties and used by the company, keep a record of licence arrangements, including relevant expiry dates, to ensure that your business is not inadvertently infringing on any third party IP rights.

Owning and managing IP are two different aspects of the same greater business necessity. Owning IP gives a competitive advantage to businesses by way of providing them with legal protection whilst managing IP assets can play a significant role in the overall growth and profitability of a company.



Involvement in the full spectrum of IP law and protection, **Sumi Nadarajah** counsels foreign and domestic clients in the selection, clearance, prosecution and monitoring of Irish, UK and EU Trade Marks. She coordinates the worldwide IP portfolios of a number of leading Irish companies and also represents the trade mark interests of a broad range of SMEs and private individuals, specialising in the food and beverage, FMCG and packaging sectors. Sumi has significant experience in domain name matters with expertise in UDRP proceedings before WIPO.

Sumi is also a member of the International Trademark Association (INTA), and has over the years been appointed as committee member of the Non-Traditional Trade Marks Committee, the Anti-Counterfeiting Committee, and The Trade Mark Office Practices Committee. She currently sits on INTA's Brands for a Better Society Committee. Sumi is a regular attendee of the INTA Annual Conference as well as the Asian Patent Attorney Association (APAA) annual meeting. She is often invited as a guest lecturer in the Law Society of Ireland and also tutors with the APTMA Education Committee.

In her spare time, Sumi has a special interest in food, books, travel. She is a member of an amateur a cappella singing group and is partial to retail therapy.

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