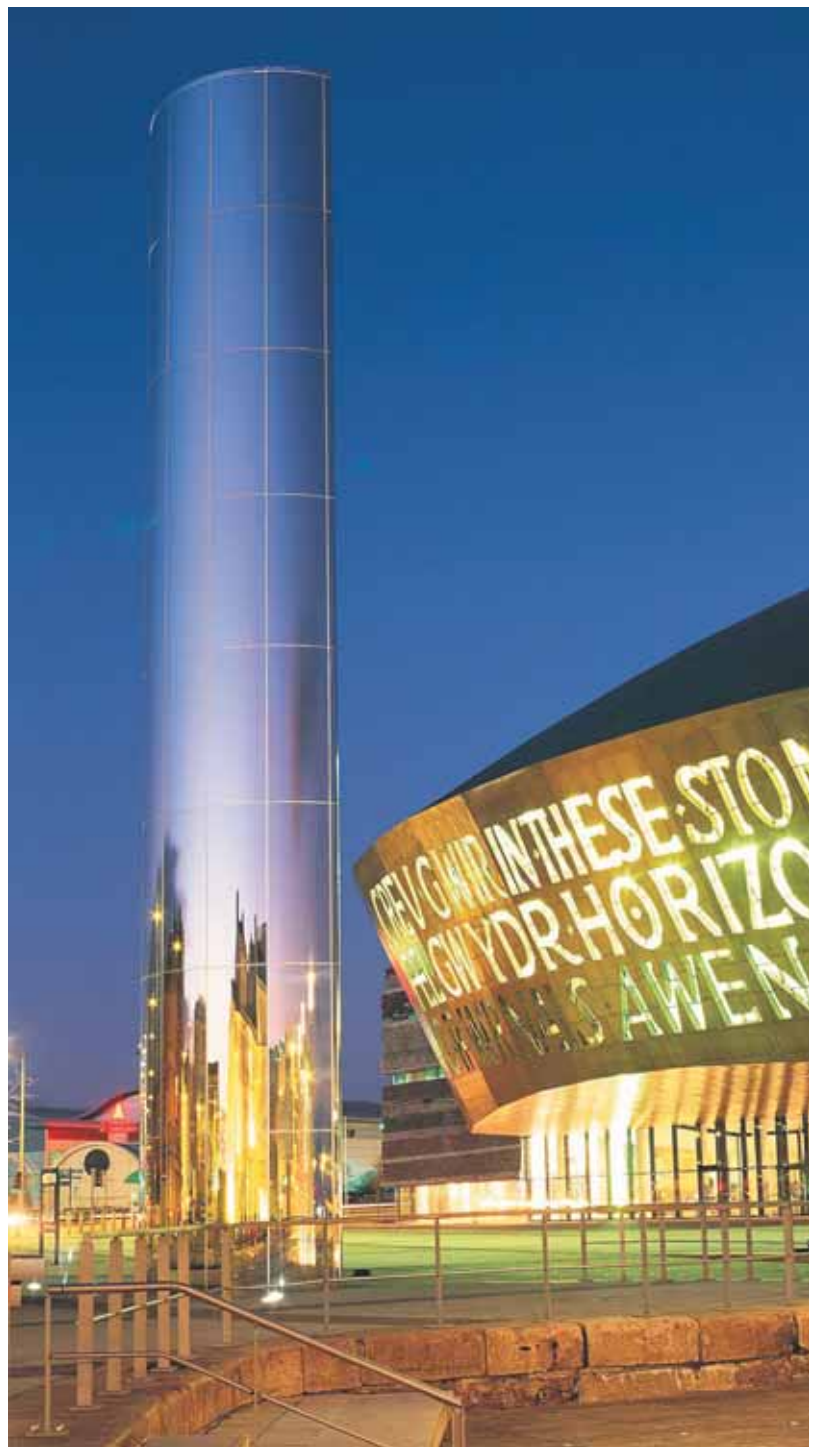


# A guide to investing in Wales

## Appendix 10 – Protecting your business – intellectual property rights



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## Intellectual property rights

Wales is subject to the English and Welsh law applying to intellectual property rights, which itself is heavily influenced by European laws and international conventions applying to this area of law. In this section we provide a very brief summary of the core intellectual property rights that are relevant in Wales which are namely patents, trade marks (and domain names), copyright, design rights and confidential information. More detailed information is available at the UK Intellectual Property Office at [www.ipo.gov.uk](http://www.ipo.gov.uk)

### Patents

*Nature of right.* To be patentable, an invention must:

- be new;
- involve an inventive step;
- be capable of industrial application; and
- not be specifically excluded by statute.

The patent holder can:

- enjoy exclusive use of the invention within the UK;
- prevent the unlicensed manufacture, use, importation or sale of the patented invention;
- develop a business based on the invention;
- license the patent to another party.

*How protected.* Applications for UK patent registration must be made to the UK Intellectual Property Office to be protected.

*How enforced.* UK patents are generally enforced through the UK courts. The main remedies the courts can grant are:

- permanent or interim injunctions;
- interdicts;
- delivery up;
- damages; and
- an account of profits.

*Length of protection.* Protection of a UK patent lasts for up to 20 years. This is subject to renewal after the first four years and then annually for the following 16 years.

## Trade marks

*Nature of right.* To be registered as a trade mark, a sign must:

- be capable of graphical representation;
- distinguish the goods or services of one undertaking from another.

The trade mark holder can:

- enjoy the exclusive right to use the trade mark in the UK;
- prevent others from using a mark which is the same as (or similar to) their mark where the use has caused, or is likely to cause, confusion;
- assign or license the use of the mark to other parties.

*How protected.* Applications for registration must be made to the UK Intellectual Property Office. Unregistered marks can also be protected through a common law action for passing off. Community trade marks can be applied for through the European Office for harmonisation in the Internal Market (OHIM). A community trade mark protects throughout the EU.

*How enforced.* The Trade Marks Act 1994 sets out methods of enforcement, the enforcement procedure and the main remedies available are similar to those for patents (see p.88, Patents).

*Length of protection.* Protection lasts indefinitely, subject to renewal every ten years.

## Domain names

*Nature of right.* Domain names in themselves have not been recognised in the UK as property rights, but they may still be registered. A key domain in the UK is '.co.uk'. The individual or organisation holds the right to use that specific domain name for a specified period of time.

- This type of registration is not a trade mark registration; it amounts to a contract with the registration authority, which controls the top level domain (TLD).
- It does not afford any exclusive rights, and has been likened to a company name registration in that it merely serves to identify the organisation using it.

Domain names may also be registered as trade marks; however:

- Being the owner of a registered trade mark does not automatically entitle you to use that mark as a domain name.
- Similarly, if your domain name has been registered, it does not automatically mean that a similar trade mark will qualify for trade mark registration.

*How protected.* Nominet UK is the Registry for UK Internet domain names, and provides a dispute resolution service for UK domain names.

*How enforced.* Disputes are usually settled at an international level. The Uniform Domain Name Dispute Resolution Policy (UDRP) was introduced in 1999 by the Internet Corporation for Assigned Names and Numbers (ICANN). Nominet UK also uses this policy.

## Copyright

*Nature of right.* Copyright subsists in the following works which must be original to qualify for protection:

- literary (including software), dramatic, musical or artistic works;
- sound recordings, films or broadcasts;
- the typographical arrangements of published editions.

The owner of the copyright in a work has the exclusive right to carry out the following acts in the UK:

- copy the work;
- issue copies of the work to the public;
- rent or lend the work to the public;
- perform, show or play the work in public;
- communicate the work to the public;
- make an adaptation of the work or do any of the above in relation to an adaptation.

In addition, the right holder has the right to:

- be identified as the author or director of the work;
- object to derogatory treatment of the work;
- not have work falsely attributed to him or her;
- prevent others from infringing any of his or her rights;
- assign or license the rights to other parties.

*How protected.* Protection subsists automatically when the work is created. The rules on protection are set out in the Copyright, Designs and Patents Act 1988.

*How enforced.* The enforcement procedure and the main remedies available are the same as those for patents (see p88, Patents), except that additional damages are also available for flagrant copyright infringement.

*Length of protection.* The length of protection depends on the work:

- Literary, dramatic, musical and artistic works: 70 years after the author's death.
- Films: 70 years after the death of the last surviving director, author of the screenplay, or composer of any music specifically created for the film.
- Sound recordings: 50 years from the year of publication.
- Broadcasts: 50 years from the first broadcast.
- Published editions: 25 years from the first publication.

## Design rights

There are two types of design rights present in the UK: registered and unregistered.

*Nature of right.* Registered designs cannot be copied or used in the UK by anyone other than the design right holder for up to 25 years and registration gives the holder a monopoly right for the look of a product, protecting both the shape and the pattern or decoration.

*A registered design:*

- is a total right of ownership to the appearance of a product or part of a product;
- covers the lines, contours, colours, shape, texture and materials of the product or its ornamentation.

To be registered, a design must be:

- new;
- individual; it must not remind an informed person of an existing design.

*How protected.* Applications for registration must be made to the UK Intellectual Property Office.

*How enforced.* The Copyright, Designs and Patents Act 1988 sets out methods of enforcement and the remedies available for infringement of a registered design.

*Length of protection.* A registered design lasts for five years at first but may be extended over four five-year periods up to a maximum of 25 years.

## Unregistered

*Nature of right.* Design right gives you free automatic protection for the internal or external shape of an original design.

- It is not a total right of design ownership; it is a right to prevent copying.
- It does not afford protection for any two-dimensional aspects, for example patterns.

*How protected.* Design right exists in accordance with part III of the Copyright, Designs and Patents Act 1988. Unregistered design right protects designs created by nationals, residents or companies of the EU, and designs created by citizens of the UK colonies. The design right only gives protection in the UK.

*How enforced.* The Copyright, Designs and Patents Act 1988 sets out methods of enforcement and the remedies available for the design right holder, which are similar to those that are available in connection with patents.

*Length of protection.* Design rights last for ten years after the design has first been marketed, up to an overall limit of 15 years from when it was created. For the first five years the design cannot be copied. After that time, the design is subject to a licence of right, which means that anyone is entitled to a licence to make and sell products copying the design.

In addition, design can be registered in the EU using the Registered Community Design or Unregistered Community Design right at the OHIM.

## Confidential information

*Nature of right.* The right is based on common law principles. The information must be:

- confidential in nature;
- communicated in circumstances importing an obligation of confidence.

The right holder can take legal action against any party who is under a duty of confidence to the right holder with regard to the confidential information.

*How protected.* A court action for breach of confidence would be based on breach of contract or equity.

*Length of protection.* There is no fixed term, although the information must remain confidential for it to be protected.

It is essential to use confidentiality agreements or non disclosure agreements (NDAs) where appropriate.

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