

Copy righters

Intellectual property is all around and legal executives are well placed to advise clients on its role, finds **Grania Langdon-Down**, while on page 18 Katy Andrews investigates product placement

What do the colour purple, a mobile phone ring tone and a triangular-shaped chocolate bar have in common? They are all trade marked.

With intellectual property (IP) becoming increasingly important in commercial transactions, identifying a company's 'intangible assets' and ensuring they can be protected and commercialised is vital, whether the IP is in a brand name, invention or design – or in a colour, sound or shape, such as Cadbury's purple when associated with chocolate bars, Nokia's 'Grand Vals' ringtone and Toblerone's iconic shape.

IP has a broad reach as a specialisation, covering patents, trade marks, designs and copyright, so developing an interest in this field could open up significant opportunities for legal executives to add real value to the service they offer clients, says ILEX member Andrew Beale, head of professional legal studies at Swansea University and director of IP Wales.

A keen supporter of the legal executive route into law, Mr Beale taught the ILEX course for a decade in the 1990s and took the membership exams so he knew what his students were going through.

He sees the need for a more pragmatic approach to IP through his work with IP Wales, which advises Welsh businesses on IP matters, and as a consultant to the World Intellectual Property Organisation (WIPO). 'This is

**P-p-p-passing off:
Asda was found to
be passing-off
Puffin bars as
Penguins**

something the legal executives that I had the privilege of teaching were well qualified to offer,' he says.

'The way IP law is taught is primarily about the enforcement of negative rights – how you acquire a patent and how you enforce it. But we have found that most firms simply don't have the financial muscle to enforce patents, so they need to be more open to other commercial strategies, such as licensing arrangements.

'So legal executives who develop their knowledge in this area to help their clients with the practicalities of managing intellectual assets within their business plan will be doing them a real service.'

Intellectual capital

Tom Farrand, who chairs the public relations committee of the Institute of Trade Mark Attorneys and sits on its training committee, agrees. 'People generally aren't switched on enough about IP. Plenty of transactions go through without an appreciation of what is there and what isn't. It is not a simple box-ticking exercise – you need to scratch below the surface because companies can be acquired on the basis of IP that isn't as robust as it might be.'

Jackie Maguire, chief executive of Coller IP Management, technical specialists in IP business management, says IP needs to be taken seriously as a boardroom issue. 'However, it needs to go further than IP. You need to think in terms of intellectual capital, which includes branding, the know-how in a company, the way it does business – all of which can be given a value.'

Priorities have also shifted with the recession. Ms Maguire says that the latest WIPO figures show a 'worrying' decline in international patent filings, which dropped by 4.5% in 2009. 'One contributing factor is that the recession has made organisations reluctant to spend money on their IP when they have been forced into cutting costs,' she says. 'But no company, especially in a recession, can afford to have its ideas – its very lifeblood – stolen.'

This drop is matched by an increase in IP and patent litigation. Mr Farrand, a partner with HGF Patent and Trade Mark Attorneys, which has a sister law firm HGF Law, explains: 'In good times, people will move on and try to out-innovate their competitors. When times are hard, people are more inclined to fight over what they have got rather than develop new ideas.'

Due diligence for transactional work is starting to pick up after being 'almost dead' for a couple of years, he continues. 'My firm has recently had some significant instructions for due diligence work on the IP assets of potential acquisitions.'

Crown jewel

IP is a highly specialised field largely split between solicitors and patent and trade mark attorneys. Demand for specific training among ILEX students and employers has not been strong, leading to IP being dropped as a separate Level 6 subject last year when new skills and employment law courses were introduced.

However, there are plenty of useful sources of specialist advice. A good starting point is the Intellectual Property Office website, says Philip Westmacott, chairman of the Intellectual Property Lawyers Association (IPLA), which lobbies for improvements to IP law and practice. 'The office has booklets on the different types of IP. They are not text books but they are useful in highlighting key issues,' he says.

Various websites can help: IPLA provides access to its submissions on developments in the field and contact details for member law firms; the Institute of Trade Mark Attorneys has information on trade marks, copyright and design, and a directory of trade mark experts; and the Chartered Institute of Patent Attorneys provides basic information and a directory of patent agents.

'When I started 30 years ago there were maybe 10 firms which took patents seriously,' says Mr Westmacott, IP partner with City law firm Bristows.



'Now there are something like 60 firms doing this work. It is a specialisation that will continue to grow because most western economies are built not on their ability to make cheap goods but on their ability to have good ideas and exploit them, and IP is critical to that.'

Legal executives are ideally placed to identify when to flag up IP issues, says Michelle Lewiston, a solicitor with City law firm Speechly Bircham's IP, technology and commercial team.

Dual qualified as a legal executive, Ms Lewiston did her ILEX training while working in-house at the London Borough of Barnet before moving into private practice, where she qualified as a solicitor in 2000. She chaired the central London branch of ILEX for three years from 2003 and remains a fully paid-up member.

She first became involved in IP while working in-house for a TV company Zone Vision. 'A lot of legal executives go into commercial law firms or in-house and they need to know about IP,' she says. 'The issues may be too specialised to address them themselves – at Zone Vision, I worked with external counsel on trade mark issues and on acquiring relevant IP rights. But you need to know the questions to ask.'

One of Speechly's IP partners Robert Bond, a member of the Federation Against Software Theft (FAST) legal advisory board, agrees. 'In this age of global trade and the power of information, IP is a massive crown jewel.'

'Identifying IP, creating it, ring fencing it and leveraging it are important policy issues. Legal executives need to understand the concepts of IP, how to protect each facet and how to maximise the value of IP in commercial negotiations and drafting. You mustn't lose sight of the commercial value of "first to market", but you also have to remember the value of due diligence and searches. Nothing beats getting a product on the shelf – unless you then have to withdraw it because you infringe someone else's IP.'

When it comes to copyright, Robin Fry, head of intellectual property at national law firm Beachcroft and a member of FAST legal advisory board, highlights a key issue: 'Unlike trade marks and patents, there's no register of copyright ownership; you often need to examine original e-mail traffic and invoices to gauge the exact intentions of the parties.'



Cheaper justice

For IP specialists, the current talking point is Lord Justice Jackson's recommendations to reform IP proceedings as part of his costs review. Alasdair Poore, partner in the technology team at national law firm Mills & Reeve, is vice-president of the Chartered Institute of Patent Agents. He says: 'The reforms will limit court costs which can be recovered from the other party in proceedings in the Patents County Court to £50,000, a fraction of the costs of High Court patent proceedings. It is hoped this will open up access to small and medium-sized enterprises, giving them, possibly for the first time, a real opportunity to enforce their patent rights in the UK.'

'Lord Justice Jackson also proposed introducing a small-claims and fast-track procedure for very low-value intellectual property claims – ideal for some small copyright and designs disputes.'

His concern is that the proposals will be 'swamped' by the report's other 500-plus pages of comments and proposals.

The IPLA also supports the reforms but is concerned about the priority they will be given after the general election. When it comes to costs, Mr Westmacott says member firms have mixed views on the proposal to end the recoverability of conditional fee uplifts and after-the-event insurance premiums from the losing party, depending on where most of their work comes from.

He says: 'The reforms, if implemented, will change things, especially where contingency fees – to which some members are strongly opposed – cannot be used to help fund

All shapes, sizes and colours: IP is an integral part of our lives, and increasingly important to companies (picture from the Museum of Brands, Packaging and Advertising)

the litigation. A lot of IP cases involve injunctions and declarations where there is no immediate money at stake. But contingency fees won't work unless there is a pot of damages.'

Another important issue, he says, is the European Commission's proposal for a single community patent and a single European court to ensure a consistent approach to litigation.

Back in the UK, combating IP crime is also on the agenda, with the government trying to 'future proof' its Digital Economy Act against new methods of piracy. Mr Beale says: 'Understanding the relationship between e-crime and IP crime is in its infancy. There are laws which might be applied but the law doesn't recognise information as property – it protects access to the information but not the information itself.'

The world of IP is certainly highly complex but it can also be colourful. A new display at the Museum of Brands, Packaging and Advertising in Notting Hill, London, run in association with the Intellectual Property Office, delves deep into its history, which stretches back to the 1750s. Any legal executive interested in discovering its more iconic moments can view the very first trade mark journal, alongside some of the more celebrated IP cases of recent years, including United Biscuit's successful passing-off claim over Asda's Puffin chocolate biscuits, although the judge also found that Asda had not infringed the Penguin trade mark.

● For more information on the display, go to www.museumofbrands.com

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