

## IP Myths FAQ

**If I mail a written description of my invention to myself, my invention is protected?** This is a common misconception. All this will prove is the approximate date you invented something. It will not give you any rights in the invention, and will only be useful in challenging someone else's patent rights to the same invention in New Zealand if they stole it from you or you disclosed your invention before they filed for their patent (see "**Patents FAQ**").

**Market first, protect second is always best.** This is rarely the case. Once you have disclosed your invention (other than in confidence) or as soon as you have sought to market/commercialise it, you forfeit your right to a patent or a registered design in New Zealand. If you think there is a chance an idea is commercially significant, then it is best to file a provisional patent application to preserve your right to obtain protection against competitors (or at least discuss it with us). You should always consider protection and marketing – and look at neither in isolation.

**If I change something by 10% or 20% I avoid infringement.** This is another popular misconception which is untrue. Infringement is generally assessed as follows:

**Patents:** infringement is assessed by the claims which are the numbered paragraphs at the end of the document. These will usually describe how a product or process works not what it looks like – hence appearance may be irrelevant. Even if you make changes to avoid literal infringement, the claims will be interpreted (in New Zealand, Australia and the UK) by what the reader would understand the patentee to have meant. Therefore, if there is nothing in the patent which suggests the patentee intended to exclude the variation you have come up with, you might still infringe (see "**Patents FAQ**").

**Copyright:** protects against copying of the whole or a substantial part of the copyright work. Whether a part is substantial is determined by the quality of what is taken, not the quantity. Hence you could be found to have infringed copyright even if you only took 20% of a work, if what you took is the essence of the work (see "**Copyright FAQ**").

**Registered Designs:** this depends on the registered design. Design Registrations protect against production of a design which doesn't differ materially from that depicted in the registered design. The more original the design, the greater the



differences there need to be to avoid infringement (and vice versa) (see "**Registered Design FAQ**").

**Trade Marks:** registered (and potentially unregistered) trade marks provide protection against use by other traders of an identical mark in relation to identical goods/services, or a similar mark in relation to the same or similar goods/services where such use is likely to deceive or confuse. How much you need to change depends on how well known and distinctive the mark is and how likely people are to confuse your mark with it. Changing 20% may not cut it – especially if the mark is well known (see "**Trade Marks FAQ**").

**Copyright provides worldwide protection.** It doesn't. In New Zealand, copyright provides protection against actual copying of original literary works, dramatic works, musical works, artistic works, sound recordings, films, broadcasts and typographical arrangements of published works. Copyright does not protect the idea embodied in a work. Only patents do that (see "**Patents FAQ**").

Your copyright in New Zealand will be recognised overseas. However the rights you get are determined by the laws in that country. Artistic works that have been "industrially applied" (i.e. where more than fifty examples have been made for the purpose of sale or hire) will be protected in New Zealand but in nearly all other countries there is no copyright protection. Instead, it is generally necessary to file design applications (before sale or disclosure) in each country of interest in order to get protection (see our "**Registered Design FAQ**").

**A registered design merely duplicates copyright protection.** Copyright and registered designs do have some similarities in that they can both provide protection for the way something looks. However, there are a number of key differences between copyright protection under the Copyright Act and design protection under the Designs Act.

To infringe copyright you need to show that the infringer actually copied. Independent creation of something will not infringe copyright, even if the finished item is identical. For design infringement it is irrelevant whether the registered design was copied.

The tests are also different. For copyright to be infringed, you need to show the copy is objectively similar to the copyright work and takes a substantial part of it. For design infringement you need to show the infringement doesn't differ in material details from the article as depicted in the registered design.



To take an infringement action under the Copyright Act you need to identify the copyright work allegedly copied, establish that the copyright work is the result of your own original skill and effort, and you need to prove that copyright still subsists in the copyright work and that you own that copyright. There are also other qualifications regarding the citizenship of the author, place of publication etc. A registered design provides evidence of most of these things, so you don't have to prove them. It makes taking legal action easier.

You can rely on a registered design to stop parallel imports. You cannot prevent parallel imports of copyright works.

The Register of Designs can be searched and the existence of your registered design will act as a deterrent to anyone who searches to find out what they can make. There is no register of copyright works.

**Copyright protects my idea so I don't need a patent.** Wrong. Patents protect ideas.

Copyright only protects the expression of an idea, not the idea itself. To get copyright rights you need to record your "idea" in some manner, for example in writing or on tape, and your protection will be limited to that "recording". For example, TV2's "Supernanny" and TV3's "Demons to Darlings" have the same idea (how to manage badly behaved children) but the idea is expressed differently so one doesn't infringe the other.

**Patents expire but trade secrets do not, so a trade secret is better than a patent.**

Although treating something as a trade secret may appear to be a cheaper option than a patent, most people find that it is a major problem keeping trade secrets confidential. For instance, once a product which embodies a trade secret is sold, it won't take competitors long to work out what you have done. A trade secret does not protect against reverse engineering by competitors. Trade secrets are more commonly relied on to protect processes, methods of manufacturing something, etc. Once the secret gets out (usually via a disgruntled employee or inadvertent breach) any exclusivity you had will have been lost and you will probably not be able to apply for patent protection any more as the idea will no longer be novel. You can recover damages from a person who is in breach of confidence, but that won't compensate you for the loss of exclusivity.

**A patent is all I need.** Maybe. But be careful. A patent is a monopoly right, but mere ownership does not necessarily provide revenue in itself and it only lasts for 20 years. You need to look at anything which can help you to manufacture, distribute, market, and/or license. This might include registering the shapes of your products as registered designs, and registering associated brand names and logos. These other forms of intellectual property may




also be helpful in extending the revenue you can obtain following the expiry of your patent, for example: aspirin was patented but the name was actively promoted and registered as a trade mark. When the patent expired the proprietor's product was well recognised and retained a good portion of the market.

**There is no point in having a patent if I can't afford to enforce it.** A patent grants the owner the exclusive right to make, use, exercise or sell the invention in the country of grant. Although it is helpful to have the finances to enforce your patent rights, the following points should be noted: if a patent is well drafted, determining infringement can often be fairly clear cut and the costs of enforcement minimised; having a patent provides a point of leverage to negotiate with large competitors; you might not have the money to enforce the patent but other parties might do. Having a patent (and other IP rights) is usually a pre-requisite to third party investment and licensing arrangements. Also, in the United States, where litigation fees are substantial, and damages are even larger (eg: damages are trebled if the infringer blatantly infringed) lawyers often work on a "contingency fee" basis (i.e. no win, no fee). Lawyers are more inclined to take cases on a contingency basis where the rights are registered and their strength can be assessed.

**I own what I invent.** A lot of people believe they automatically own what they invent, but it is not that simple. Different rules may apply in employment situations, where an invention has been commissioned, or where a contract contains provisions as to ownership. In an employment situation, typical factors that determine who owns an invention are the nature / type of the employment (a research organisation is unlikely to own an invention developed by its cleaner but will probably own an invention developed by one of its scientists), the importance of the role (for example, a director of a company owes a fiduciary duty to the company which could entitle the company to ownership of any invention produced by the director while with the company) and the circumstances surrounding the inventing (was the invention developed on company premises, were company resources used etc?).

**Unregistered trade marks provide all the protection I need.** Unregistered trade mark rights do have protection under the common law tort of passing off or under the Fair Trading Act 1986. However, there can be problems with enforcing rights in an unregistered trade mark. For example, to succeed, you have to prove you have reputation in your mark in the region where the infringement occurred, such that members of the public are likely to be misled and deceived. It can be problematic and expensive proving reputation in a trade mark. As the protection afforded by the law is limited to the geographic area in which you trade or can prove reputation, it leaves others free to use your mark in other parts of the country. Furthermore, to be successful in a passing off action, you must also show you have actually suffered damage – which is not always easy.



clever thinking...

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By comparison, a registered trade mark provides evidence you own and have the exclusive right to use the mark throughout New Zealand. And if someone without your authority uses your trade mark on goods/services covered by your registration, you don't even need to show that the infringer's use of your mark is causing confusion. Hence it is always safer to register your trade marks (see "**Trade Marks FAQ**").

**I can copyright a trade mark so there's no need to register.** There is some overlap in protection, but copyright and trade mark rights are two different forms of intellectual property.

It is possible to have both copyright and trade mark protection in a brand or advertising slogan. For example, copyright may subsist in the design portion of a trade mark. And there may be copyright in an advertising jingle – the advertising jingle used by The Warehouse is a musical copyright work, and the sound is also a registered trade mark. However the overlap is not complete. A trade mark is anything that is capable of distinguishing one trader's goods and services from others. This can include things which cannot be protected by copyright, such as a single word or phrase, a smell, or a taste. Furthermore, the entitlement to damages for infringement of copyright in a trade mark is usually much less than the damages available for infringement of a trade mark registration.

Also, while copyright protection may be available automatically in some countries, trade mark protection is territorial by nature. Unlike trade marks, there is no system of registration for copyright (except in the United States). There are also differences in the term of protection - registered trade marks can be perpetually renewed, but all copyright rights expire after a set period.

**Where can I find out more information on Intellectual Property?** You can find out more by reading our *Guide to the protection of innovation and goodwill*, or by contacting us.

THE ABOVE IS PROVIDED FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT TAKE THE PLACE OF SPECIFIC LEGAL ADVICE. FOR MORE SPECIFIC ADVICE ON ALL ASPECTS OF INTELLECTUAL PROPERTY LAW, PLEASE CONTACT US.

