

IP Masterclass

**Strategies for in-house  
counsel to manage  
intellectual property risk  
and opportunity.**

Webinar | Thursday, Nov 26



# Smart & Biggar – Canada's Leading IP Firm

## Widely recognized as Canada's leaders in intellectual property

- 100 IP professionals, 5 offices
- Largest firm focused purely on IP and related practice areas
- Filing more IP applications than any other firm in Canada.
- 130 years serving clients in IP

## Smart & Biggar Advantage:

- Depth and breadth of IP expertise
- Litigation bench strength and record of success
- Quality, standards and efficiency
- Innovative technology and tools
- Client service excellence

# Moderator and Speakers

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## Moderator & Speaker



Evan Nuttall  
Partner  
Smart & Biggar

## Speakers

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Jonas Gifford  
Partner  
Smart & Biggar



Kwan T. Loh  
Counsel  
Smart & Biggar



Laura Easton  
Senior Associate  
Smart & Biggar

# Overview

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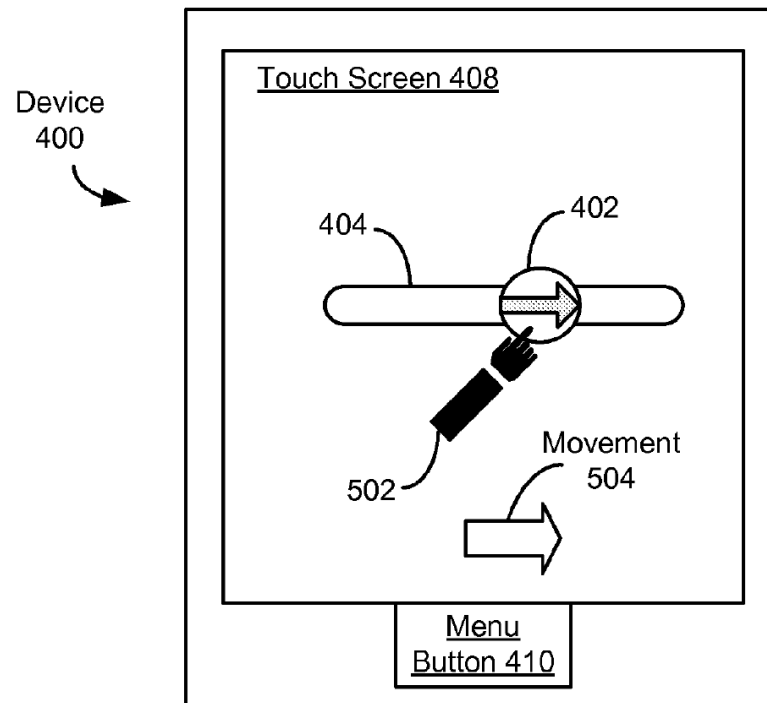
- **Building Valuable Patent and Design Portfolios**
- **Leaving a Mark: Effectively Choosing a Brand**
- **5 Tips for Preventing and Shortening IP Litigation**
- **Questions**



# Building Valuable Patent and Design Portfolios

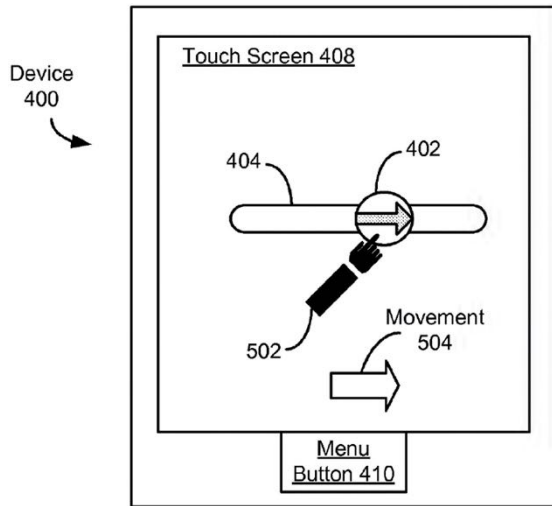
Jonas Gifford

# Whose Patent is This From?



# Patents Protect Function, Not Appearance

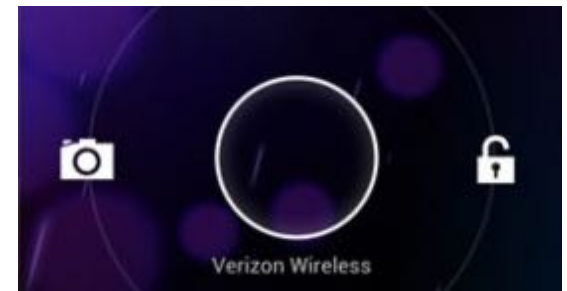
Patent Drawing:



Commercial Embodiments:



Infringement:



# Patent Rights Are Defined by Claims

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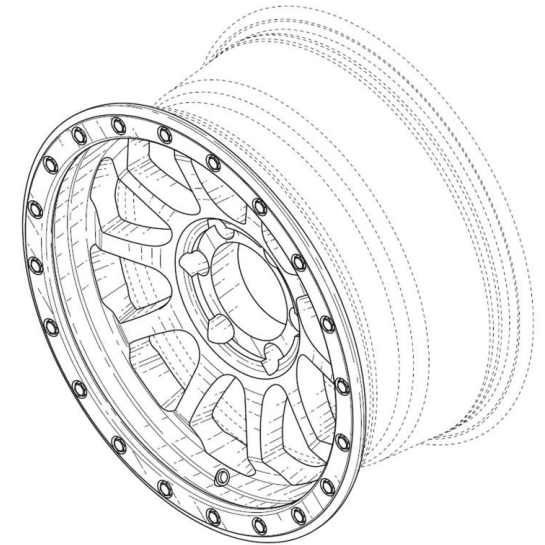
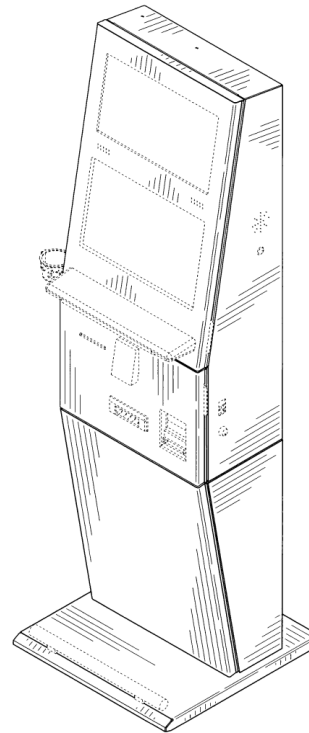
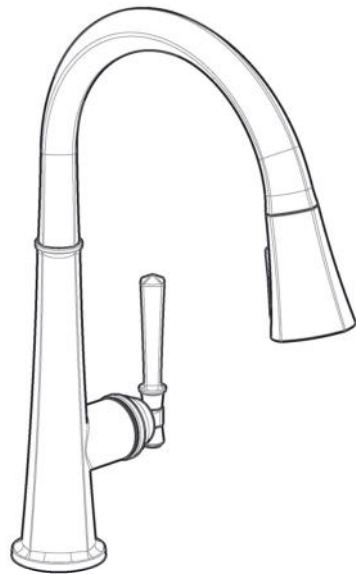
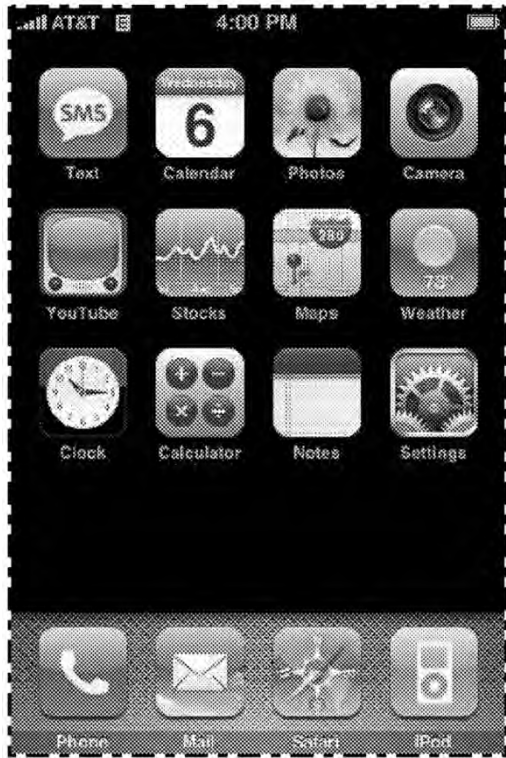
1. A method of unlocking a hand-held electronic device, the device including a touch-sensitive display, the method comprising:

detecting a contact with the touch-sensitive display at a first predefined location corresponding to an unlock image; continuously moving the unlock image on the touch-sensitive display in accordance with movement of the contact while continuous contact with the touch screen is maintained, wherein the unlock image is a graphical, interactive user-interface object with which a user interacts in order to unlock the device; and

unlocking the hand-held electronic device if the moving the unlock image on the touch-sensitive display results in movement of the unlock image from the first predefined location to a predefined unlock region on the touch-sensitive display.



# Design Rights Protect Appearance



# Summary of Patent and Design Rights

|                                     | Patents  | Designs  |
|-------------------------------------|--|--|
| <b>Eligible Subject Matter</b>      | Machines, functional products, processes, chemicals, genes | Appearance of articles                               |
| <b>Term</b>                         | 20 years from filing                                       | 10 years from registration or 15 years from filing   |
| <b>Requirement for Validity</b>     | Not disclosed by or obvious in view of prior art           | Differs substantially from prior art                 |
| <b>Requirement for Infringement</b> | Competitor's activities or product within scope of claim   | Does not differ substantially from registered design |

# Filing Early Can Be Critical

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- For patents and designs, prior art can be anything
  - available to the public
  - or filed by someone else
  - before your filing date
- The applicant's or inventors' own public disclosure, public use, offer for sale, or sale before your filing date can be prior art
- Obtain written confidentiality agreements
- Some countries, such as Canada and the United States, have one-year grace periods

# Why Obtain Patent and Design Rights?

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- Increase market share
- Protect margins
- Create corporate assets
- Attract investors
- Collect royalties from licensing
- Attract and retain talent
- Possible freedom to operate

# Invention Disclosure Forms

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- Identify the inventor(s)
- Describe how to make and use embodiments of the invention
- Explore alternative embodiments and possible competing products
- Discuss possible business cases
- Identify known prior art
- Identify possible upcoming disclosures or offers for sale
- Consider incentives for invention disclosures

# Patentability Searching

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- Try to anticipate challenges that an examiner or competitor will raise
- Can help with deciding whether to prepare and file any patent applications
- Can also help to focus patent applications on distinctions over prior art

# Filing Strategies

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## Patents

- Provisional applications
- Up to one year to file applications with priority claims
- PCT international applications

## Designs

- Up to six months to file applications with priority claims
- International Hague applications



# Leaving a Mark: Effectively Choosing a Brand

Kwan T. Loh



# Brand are anchored by trademarks

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- Trademark:
  - Something that, in the eyes of the consumers, points to a single source of services/products and distinguishes them from the services/products of others
- Strength:
  - The more a trademark is unique, used, promoted and advertised, the more recognizable it becomes and the stronger it points to the source

# So, what is a trademark?

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- Traditionally:
  - words or letters (e.g., ACC)
  - symbols
  - designs



# So, what is a trademark?

- Non-traditional marks:
  - sounds (Intel jingle, MGM lion's roar)
  - colours (UPS brown and Tiffany blue)
  - three-dimensional shapes
  - scent and taste
  - holograms and moving images
  - textures
  - etc.



# Some well-known trademarks

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# Common Misconceptions

- “I registered my business name, so I’m fine.”
  - no grant of trademark rights
  - *need to consider trademark registration*
- “You can’t OWN that word!”
  - *sure you can! (limited monopoly)*



# Common Misconceptions

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- “Let’s co-own that trademark.”
  - joint ownership not possible
  - License...carefully



# Trademark selection

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- The inherent strength of the trademark (legal issue)
- Whether the trademark will be considered desirable from the perspective of the consumer (marketing issue)
- Whether the trademark is available for use and is likely to be considered registrable (legal issue)

# Inherently strong trademarks

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- These marks are usually easier to register and protect
- Coined – invented, fanciful term with no meaning
  - high inherent distinctiveness – strong marks; no other meaning

**KODAK; XEROX; ROLEX**

- Arbitrary - no relationship to the goods/services
  - typically make for moderately strong marks

**APPLE; BLACKBERRY** (for phones, etc. – NOT fruit!)



# Inherently weak trademarks

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- These marks can be difficult to register and enforce
- Suggestive – suggests quality/characteristic of the goods/services
  - low inherent distinctiveness – relatively weak marks
- Descriptive – identifies an ingredient or characteristic of the goods/services
  - NO inherent distinctiveness – start off as the weakest marks
  - Must be used to achieve protection (“acquired distinctiveness”)

COFFEE CRISP; AIRBUS; WHIRLPOOL

SHAKE ‘N BAKE; FRIGIDAIRE

# Loss of trademark rights

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- Generic – becomes the actual name for the product in the market
  - victim of commercial success?
  - loss of enforceable trademark rights
    - Escalator; Kerosene; Linoleum (USED to be trademarks!)
  - engage in proper trademark use as an adjective, not noun
  - campaigns to support brand recognition

# Desirable trademarks

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- In addition to being inherently strong, desirable trademarks often have the following characteristics:
  - easy to remember
  - easy to spell
  - easy to read and pronounce
  - do not have an undesirable meaning in the country and in the language in which it is proposed to be used
  - catchy

# Availability – what you could do first

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- Initial assessment
  - whether the mark has obvious issues, such as being entirely descriptive of the products/services
  - can be done by a knowledgeable, informed marketing team
- Internet search
  - Google, etc.
  - Some clients come to us having done this already
  - **Risky** to rely only on this barebones searching

# Availability – how we can help

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- Trademarks Office (TMO) (“Register search”)
  - comprehensive search of TMO website using specialized software
- TMO + Common Law Search (“full search”)
  - Register search **PLUS** domain names, web pages, corporate directories, registered business names, etc.
- The more we/you know...the better equipped you are to make a good choice!

# Benefits of registration

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- Exclusive, nationwide right to use the trademark
  - goods or services for which registered
- Right to sue for trademark infringement
- Evidence of ownership; **valuable asset**
- Notice to public – **discourages others**
- **Impediment to third parties** – objections

# Obtaining a registration

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- Best case scenario: on average, 30 to 36 months
- Application is filed, then eventually **examined by Trademarks Office**
  - Possible objections – confusion, descriptive, generic, geographic, surname
- Opposition period
  - Possible for third parties to contest application and prevent registration
- Registration good for 10 years; renewable indefinitely (10 year terms), but subject to challenge for non-use

# Brand Value

## Forbes The World's Most Valuable Brands

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| Rank   | Brand     | Brand Value | 1-Yr Value Change | Brand Revenue | Company Advertising | Industry   |
|--|-----------|-------------|-------------------|---------------|---------------------|------------|
|  #1   | Apple     | \$182.8 B   | 8%                | \$228.6 B     | -                   | Technology |
|  #2   | Google    | \$132.1 B   | 30%               | \$97.2 B      | \$5.1 B             | Technology |
|  #3   | Microsoft | \$104.9 B   | 21%               | \$98.4 B      | \$1.5 B             | Technology |
|  #4  | Facebook  | \$94.8 B    | 29%               | \$35.7 B      | \$324 M             | Technology |
|  #5 | Amazon    | \$70.9 B    | 31%               | \$169.3 B     | \$6.3 B             | Technology |
|  #6 | Coca-Cola | \$57.3 B    | 2%                | \$23.4 B      | \$4 B               | Beverages  |





# 5 Tips for Preventing and Shortening IP Litigation

Evan Nuttall & Laura Easton

# Tip 1: Confidentiality & Non-Disclosure Agreements

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- External and Internal
- Introduce NDAs at the start
- Seek input from IP Practitioners

## Tip 2: Solidify your IP Ownership Rights

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- File for patents within 12 months of first disclosure
- Evaluate your existing agreements
  - Employment / Contractor Agreements
  - Assignment Agreements

## Tip 3: Forewarned is Forearmed

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- Freedom to Operate/Patent Infringement Search
- Investigate if you can design around a patent
- Can you satisfy yourself the patent is arguably invalid (a defence to infringement if sued)
- Use or Registrability Searches for Trademarks

## Tip 4: Keeping up Best Practices

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- If you consider it confidential → treat it that way
- Make sure your relationship partners know you take your IP seriously
- Enforce breaches
- Trademarks – use ‘em or lose ‘em

## Tip 5: Summary Judgment / Summary Trial

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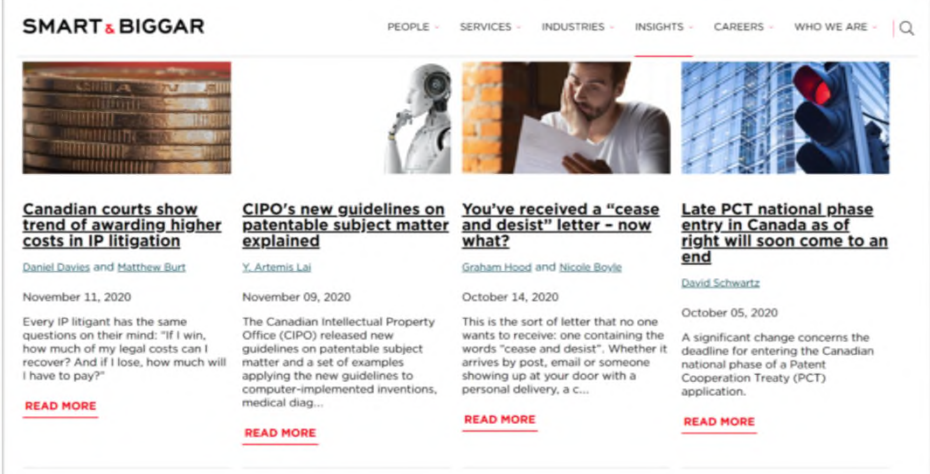
- Reduced time
- Reduced costs
- Strategic considerations
- Recent trends



# Questions

# Stay informed on the latest IP developments

- Subscribe to receive **IP Update Canada** email alerts and news
- Visit [www.smartbiggar.ca/insights](http://www.smartbiggar.ca/insights)



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**Canadian courts show trend of awarding higher costs in IP litigation**  
 Daniel Davies and Matthew Burt  
 November 11, 2020  
 Every IP litigant has the same questions on their mind: "If I win, how much of my legal costs can I recover? And if I lose, how much will I have to pay?"  
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**CIPO's new guidelines on patentable subject matter explained**  
 Y. Artemis Lai  
 November 09, 2020  
 The Canadian Intellectual Property Office (CIPO) released new guidelines on patentable subject matter and a set of examples applying the new guidelines to computer-implemented inventions, medical diag...  
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**You've received a "cease and desist" letter - now what?**  
 Graham Hood and Nicole Boyle  
 October 14, 2020  
 This is the sort of letter that no one wants to receive: one containing the words "cease and desist". Whether it arrives by post, email or someone showing up at your door with a personal delivery, a C...  
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**Late PCT national phase entry in Canada as of right will soon come to an end**  
 David Schwartz  
 October 05, 2020  
 A significant change concerns the deadline for entering the Canadian national phase of a Patent Cooperation Treaty (PCT) application.  
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# Thank you

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