



The critical role of timing in managing intellectual property

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KEYWORDS

Intellectual property;
Trademarks;
Copyrights;
Patents;
Trade secrets;
International law

Abstract In today's environment, timing is a critical part of business strategy. Nowhere is this truer than as regards managing intellectual property in an increasingly global marketplace. The creation and protection of intellectual property assets often depends on consistently taking the right legal action at the right time. The consequences of failing to do so can be disastrous but may only be felt at a later time or in other markets. The difficulty for business people lies in the fact that the time-sensitive aspects of intellectual property cannot be managed effectively by relying on intuition or resolving to see a lawyer when the need arises. This article provides a basic primer on the critical role of timing in identifying, creating, and protecting intellectual property assets. It discusses the most common types of intellectual property—patents, copyrights, trademarks, and trade secrets—and compares the role of timing in the creation and protection of each asset type. Most importantly, it summarizes the key issues of timing in the creation and protection of intellectual property.

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Think of your priorities not in terms of what activities you do, but when you do them. Timing is everything. ~Dan Millman (n.d.)

1. The importance of international intellectual property protection

It is not difficult to imagine situations in which businesses would want legal protection against unscrupulous competitors. It could be a toy company

that discovers others selling copies of its toys, a restaurant that discovers a competitor using its secret recipes, a computer company that discovers competitors using its innovative technology, or a clothing manufacturer that discovers others using brand names eerily similar to its own. Such acts of 'unfair competition' are becoming increasingly common and often involve the protection of intangible legal rights in intellectual property (IP), such as the right to exploit one's own creativity, innovation, information, or reputation. As a result, IP is becoming one of the most valuable business assets.

In today's global marketplace, it is also easy to imagine how seemingly provincial problems can

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transcend national borders. Consider the aforementioned examples. The toy company could discover that the copycat items are being sold by a domestic company, via the Internet, to consumers located outside the United States; or, by a foreign company to American consumers. The restaurant could be located in Detroit, just across the river—and the border—from the restaurant in Windsor, Canada, using its secret recipes. The clothing company could find it difficult to expand into foreign markets where competitors have already begun selling clothing using the same or similar brand names. The technology that makes it easier and more affordable for consumers to travel, ship, and shop all over the world also poses potential problems for businesses that require international strategies and solutions. As a result, the same forces that have driven the exponential growth of IP have spurred efforts to develop international laws to protect and enforce IP around the world.

The challenge for business people is knowing how and when to take steps to obtain legal protection for their IP. Even for those who prefer to leave such matters to lawyers, it is necessary to understand how to identify IP and when to take steps to protect it—even if that means merely knowing when to consult a lawyer.

2. Knowing IP when you see it

U.S. Supreme Court Justice Potter Stewart once observed that he may not be able to define pornography, but “I know it when I see it” (*Jacobellis v. Ohio*, 1964). IP is more clearly defined in the law than this example, but many business people take a similar approach when managing IP: they are unsure of how to define it, but are certain that they can identify and protect it. As a result, IP assets often go unidentified and unprotected until it is too late. By the time the business realizes it has an IP issue, it may already have lost its rights.

Unsurprisingly then, a critical first step to managing IP is being able to identify IP in the first place. Large businesses with substantial resources can afford to employ in-house or outside legal counsel to identify and manage their IP assets for them. However, owners and managers of small- and medium-sized businesses must often rely on their own understanding of IP to identify and protect their IP assets. While there is no substitute for the time and effort needed to develop a sophisticated understanding of IP, developing a basic understanding of the various types of IP is a good starting place.

The term *intellectual property* actually refers to several different types of legal rights for intangible

assets, but the most common IP in business today includes patents, copyrights, trademarks, and trade secrets. The primary difference between these lies in the substance of what each protects. A comprehensive discussion of each type of IP is beyond the scope of this article, but a brief summary can be very useful.

2.1. Patents for useful inventions

Patent law protects man-made inventions that are novel, serve a useful purpose, and are not obvious to people skilled in the art of the invention (“*Patents*,” n.d.). To be patentable, the invention must be a process, machine, article of manufacture, composition of matter, business method, or a plant reproduced by asexual production (“*Patentability of Inventions*,” n.d.). In the United States, such patents are referred to as ‘utility patents.’ U.S. law also provides for ‘design patents’ to protect ornamental designs that are embodied in useful articles (“*Patents for Designs*,” n.d.). In other countries, such ornamental designs are protected as a separate type of IP known as ‘industrial designs’ (“*About Industrial Designs*,” n.d.).

It is difficult to provide a representative list of patented inventions because the range of patentable material is so broad. A large number of patented inventions today are related to computer and Internet technology, electronics, pharmaceutical drugs, chemistry, and biotechnology. However, many innovations made by companies or their employees could potentially be eligible for patent protection.

To be protected in a country, an invention must be patented in that country. As such, a person seeking a patent must file an application with the patent office or similar agency in the federal government of any country where he/she wants IP protection. For instance, to obtain a patent in the United States, the inventor must file an application with the U.S. Patent and Trademark Office. If the application is successful, the patent owner receives the legal right to prevent others from making, using, selling, or importing the patented invention in the United States for a fixed period of time. Under U.S. law and in most other countries, utility patents are protected for 20 years from the patent application filing date, and design patents are protected for 14 years from the patent issue date.

When employers hire others to perform inventive work, the employer can claim ownership of the employees’ patent rights for their inventions as ‘works for hire.’ To be safe, businesses often require employees to sign written agreements acknowledging that the business will own the patent rights for any inventions the business hires them to create.

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