

CorporateLiveWire

INTELLECTUAL PROPERTY 2024 VIRTUAL ROUND TABLE

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Introduction & Contents

This roundtable explores the latest regulatory changes and interesting developments in intellectual property law across China, Ecuador, Ireland, the UK and USA. Our chosen experts discuss the impact of new technologies such as generative AI on the IP landscape. They also provide practical advice on IP strategies, mistakes to avoid and best practice procedures. Other highlighted topics include insight into recent notable case studies such as the battle between food and beverage giants Nestle and Cadbury.



James Drakeford
Editor In Chief



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Meet The Experts



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Originally from Malaysia, Sumi qualified as a Barrister and subsequently a Solicitor in the UK, before moving to Ireland, where she has spent the last 15 years working in FRKelly's Dublin offices. Sumi counsels foreign and domestic clients in the selection, clearance, prosecution, monitoring and enforcement of Irish, UK and EU Trade Marks. She also coordinates the global IP portfolios of a number of leading Irish companies and represents the trade mark interests of a broad range of SMEs and private individuals, specialising in the food and beverage, FMCG and packaging sectors.



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Ms. Tian-ying Zhao has practised in the area of intellectual property law since 2006. She works both on contentious and non-contentious matters, and her practice has a particular focus on trademark portfolio development, trademark oppositions/invalidations, enforcement of trademark rights and copyrights, and alternative dispute resolutions. She also works with foreign associates to help clients filing patent applications in China. Ms. Zhao counsels mostly overseas clients, including many multi-national corporations, and impresses her clients with her insightful analysis of the situation and thoughtful advices on legal strategies. Ms. Zhao is currently a partner at IntellecPro.



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Dr Janice Denoncourt BA (McGill), LLB (Western Australia), LLM (Murdoch), LLM (Bournemouth), PhD (Nottingham) is Associate Professor of Law at Nottingham Law School.

Jan draws on her professional corporate and IP law experience to inform her interdisciplinary research which involves intellectual property rights, finance and corporate governance law, broadly conceived. In 2008 Jan founded and leads the School's Intellectual Property Research Group. She is a member of the Centre for Business and Insolvency Law and the NLS Centre for Legal Education. Jan welcomes queries from potential students interested in pursuing PhD research in interdisciplinary intellectual property law, business strategy, corporate governance, data security, IP finance, sustainability and ethics.



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Cecilia is a proactive attorney; she practices law in Intellectual Property being her strengths copyrights, trademarks and geographical indications, ancestral knowledge and biodiversity. Cecilia participates constantly in an active manner in several working groups regarding trends for the industries and policy making; she is Ambassador of the ICC IP Commission for Ecuador, and participates with opinion constantly, she has also successfully conformed and chairs the ICC Ecuador IP Commission which is working on juridical criteria for several projects of law and regulations on IP rights. At ASIPI she has been quite active, leading ASIPI's Geographical Indications Committee for second period she is a constant and hard worker delivering impeccable work. At ECTA and INTA she has been admitted to the Anti-Counterfeit Commissions. Client testimonies are her best reference.



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Mr. Cohen is an intellectual property specialist whose matters have included: litigation before U.S. and foreign courts and administrative agencies on the trial and appellate levels; prosecution of intellectual property applications in over forty countries; technology transfers and licensing; and provision of legal opinions and expert testimony. He has served as an Adjunct Professor at the Benjamin N. Cardozo School of Law since 1996, and is also a trained mediator.

Q1. Have there been any recent regulatory changes or interesting developments?



Dr Janice
Denoncourt

Dencourt: This year, the World IP Organization (WIPO) theme is 'IP & The SDGs: Building our common future with innovation and creativity'. It launched on 26 April 2024 and will continue all year long.

It is important for the UK and international IP community to ensure we are part of the ongoing global dialogue and legal developments taking place in the UK and EU regarding sustainable development. As a Director of the London-based think tank, the [IP Awareness Network](#) (IPAN), I contributed to a very special initiative.

The [IPAN Guide to the SDGs IPAN in Brief Special Edition for World IP Day 2024](#) is a free online resource. It explores the connections between the United Nation's 17 SDGs, IP and sustainable development from the perspective of luminaries, leaders, researchers and IP law students.

The Guide instigates vital conversations about sustainability and the role of IP rights – such as patents, copyright, trademarks, designs and geographical indications – in our society. At the heart of this Guide is the conviction that the IP rights law framework is not simply a legal construct, rather a foundational pillar for supporting inventors and creators to both disseminate and share in the benefit of their knowledge. Each United Nations SDG is covered, explaining how IP rights operate as 'knowledge tools' that can bring the SDG matrix closer to fruition across the globe and help solve global challenges.

The Guide begins with forewords from John Ogier (IPAN Chair), Adam Williams (Chief Executive and Comptroller-General of UK Intellectual Property Office (UKIPO)) and Neil Lampert (Deputy Chief Executive, The Chartered Institute of Patent Attorneys (CIPA)). They highlight actions by IPAN, the UKIPO, CIPA, the Earthshot Prize launched by Prince William's Royal Foundation in 2020, and the Chartered Institute of Trade Mark Attorneys (CITMA).



Tian-ying Zhao

Zhao: Following the fourth amendment to its Patent Law on 17 October 2020, China passed a new round of amendments to the Implementation Regulations of the Patent Law ("Regulations"), effective 20 January 2024.

The fourth amendment to the Patent Law introduced a "patent term compensation" system. The Regulations add a new chapter on patent term compensation, which is divided into two types: compensation for delays in the patent granting process and compensation for the time taken for new drug approvals. While the former applies to all invention patents, the latter is limited to patents related to new drugs, their preparation methods, and medical uses. For each type of compensation, the regulations specify on the time limit for patentees to request compensation and the methods for calculating compensation period.



Q1. Have there been any recent regulatory changes or interesting developments?



Tian-ying Zhao

In preparation for China's accession to the Hague Agreement, the fourth amendment to the Patent Law also included revisions such as extending protection to partial designs, accepting claims of priority based on design application on the same subject filed in China, and increasing the design patent term from 10 to 15 years. The Regulations provide detailed rules to adapt to these changes, including specifying documentation requirements for partial design patent applications and special provisions for international applications of industrial designs.

There are many other notable changes to the Regulations. For example, the date of service for all official documents served in electronic form is changed to the date of entry into the electronic system approved by the parties, from the date of entry plus 15 days. Applicants of invention or utility model patents can now request restoration of the priority right within two months from the expiration of the priority period if there is a legitimate reason. Additionally, where priority is claimed, the applicant is allowed to request the addition or correction of the priority claim within 16 months from the priority date or within four months from the filing date. The scope of preliminary examination for utility model and design is expanded to include whether a utility model obviously lacks an inventive step, and whether a design clearly does not meet the requirement of having "significant differences compared to existing designs or combinations of existing design."



Morris E. Cohen

Cohen: In April 2024, the Federal Trade Commission ("FTC") voted three to two in favour of banning non-compete clauses in U.S. employment agreements. Such clauses restrict employees from working for a competitor, or operating a competitive business. The FTC held such clauses unenforceable as an unfair method of competition.

The rule is set to take effect in September, and bars enforcement of most agreements. But it includes an exception for "senior executives," barring future agreements, but not invalidating current ones. It also has an exception relating to the sale of a business.

Supporters of the rule argue that non-competes restrict worker mobility. They assert that these agreements unfairly limit employees' ability to leave a company for a higher-paying position, or to create a business of their own.

Opponents argue that employees can obtain exposure to trade secrets that provide a competitive advantage. As a result, they assert that migration to a competing business harms the first business, unfairly enriching the second business with the first one's work, and undermining the first business's value.

Various parties have since filed suit in federal court to invalidate the rule. They claim that the FTC exceeded its statutory authority, and that the rule is unconstitutional. Accordingly, the rule's fate over coming months (or years) remains to be seen.



Sumi Nadarajah

Nadarajah: In January 2024, the Irish Government approved a proposal to hold a constitutional referendum in June on Ireland's participation in the Unified Patent Court (UPC). The UPC is an international court system specialising in patent disputes. Established in June 2023, the UPC aims to streamline patent litigation across participating countries by providing a centralised forum for resolving patent infringement and validity issues. At present, 38 European countries have signed the UPC Agreement, though only 17 countries have ratified it.

A referendum is needed in Ireland to approve the insertion of a new sub-section in the Constitution, allowing the transfer of jurisdiction in patent litigation from the Irish courts to the EU's UPC. By joining, the UPC Ireland would also become part of the Unitary Patent system allowing patent protection to be obtained via a simplified single patent across EU states.

Q1. Have there been any recent regulatory changes or interesting developments?



Sumi Nadarajah

However, in April 2024, the Government decided to defer the date for the UPC referendum as it feared that there had been insufficient time for public discourse and engagement on the matter to help inform the debate.

The Irish legal IP community largely welcome and recognise the manifold benefits the UPC would have brought to this jurisdiction, not least affecting the Ireland's overall national competitiveness and reputation and in particular, for supporting the Science and R&D agenda. However, a [recent survey](#) of in-house lawyers carried out by Mason Hayes & Curran (law firm) has found that 66% remain undecided on how they would vote in a referendum on a UPC, thus perhaps validating the view taken by the Irish government that there needs to be greater engagement and education on the pros and cons of the proposed new court.

Q2. What about notable cases or examples of new case law precedence?



Dr Janice Denoncourt

Dencourt: My new research posits that 'the trend for companies to adopt eco-friendly brand names and 'green' trade marks for their goods and services continues unabated as stakeholder interest in sustainable business performance reporting continues to rise.'

A 'green trade mark', according to the European Intellectual Property Office (EUIPO), is a collective term for specific trade marks, service marks, and certification marks that communicate environmentally friendly products, services, or practices. The use of non-textual imagery that suggests ESG or sustainability features may occur through:

- (a) words such as ECO, ETHICAL, SUSTAINABLE, GREEN, BLUE etc;
- (b) graphics, symbols and shapers (e.g. depiction of a mountain stream, plants, etc);
- (c) shades of green or blue colours; and
- (d) sounds of nature, bees, birds, waterfalls, and the like.

In my paper, I advise registering a 'green' colour mark to demonstrate the sustainability or ESG credentials that a product or service upholds. Further, there is new case law revealing that the legal approach to colour trade mark law in the UK is changing. A recent decision has opened the door to the ability to register a single colour subject to certain conditions.

In *Société des Produits Nestlé S.A. v Cadbury UK Limited* [2022] EWHC 1671 (Ch) (the Cadbury Colour Purple decision) the High Court eventually approved a single 'purple' colour mark referencing Pantone 2685C in its application for chocolate packaging opposed by its equally famous competitor, Nestlé.

'Colour marks per se' may be registrable by providing a clear limited manner of use. Colour marks must still comply with the applicable law and be distinctive, clear, precise, accessible, objective and durable in the same way as traditional marks. They must also have obtained a 'secondary meaning' on the market – the association consumers make between colour and the undertaking. Cadbury claimed their chocolates were well-associated with their particular shade of purple so competitors would unfairly benefit were they able to package products in that colour.

Q2. What about notable cases or examples of new case law precedence?



**Dr Janice
Denoncourt**

A final legal requirement is that the colour mark registration must not unduly restrict availability of colours for other traders in the field for public policy reasons. In 2015, a list of colour trade marks registered in the UK was published by the UKIPO. In view of the increase in green mark registrations, I argue that this list is ripe for an update. In terms of trade mark strategy, trade mark owners would likely benefit from adding 'green' colour marks to their portfolios and attract higher financial valuations.

To read more of my research on greenwashing, trade marks and corporate governance, see: J. Denoncourt, 'Corporate governance, ESG and sustainability: the underexplored role of 'green' trade marks' (11 October 2023), In: *Intangibles: Accounting, Reporting and Valuation* (2024) Edward Elgar, ISBN 978 1 0353 0636. In Press, forthcoming in December 2024, at SSRN: <https://ssrn.com/abstract=4599044> or <http://dx.doi.org/10.2139/ssrn.4599044>



Tian-ying Zhao

Zhao: Malicious intellectual property litigation is a long-standing issue in China. It has gradually gained attention in recent years. The 2019 amendment to the Trademark Law added a clause stating, "For malicious trademark litigation, the people's court shall impose penalties according to law," while the 2020 amendment to the Patent Law of includes a provision stating, "However, if losses are caused to others due to the patentee's malice, compensation shall be provided." The "Judicial Protection Plan for Intellectual Property by the People's Courts (2021-2025)" released in April 2022, points out the need to "effectively regulate the abuse of rights and malicious litigation, and further improve the integrity of the intellectual property litigation system," signalling an increasing focus on curbing malicious litigation.

This year, The Supreme Court of China selected 12 court cases concluded in 2023 as "Key Publicity Case" to serve as examples and provide guidance to lower courts. One of these cases is the "Changgao Dianxin" Trademark Malicious Litigation Judicial Sanction Case. The Supreme Court commented that "this case is a typical example of the people's courts cracking down on malicious intellectual property litigation, demonstrating the clear stance and judicial attitude of the courts in punishing the abuse of intellectual property rights according to law."

Houfu Digital registered 12 "Changgao Dianxin" trademarks. In November 2022, the company and its affiliate, Changgao Dianxin International, jointly filed a lawsuit against Changgao Dianxin Technology, claiming that the latter's use of the "Changgao Dianxin" trademark constituted trademark infringement and unfair competition. The Changsha Intermediate People's Court of Hunan Province found that Houfu Digital had applied for 129 trademarks covering goods and services in 24 classes within eight months of its establishment, without being able to demonstrate genuine intent to use them. After Changgao Dianxin Technology announced its tradename upon listing, Houfu Digital promptly applied for the 12 disputed "Changgao Dianxin" trademarks and filed a lawsuit demanding substantial damages of CNY 10 million.

During the trial, all 12 "Changgao Dianxin" trademarks were invalidated. The first-instance court held that the plaintiffs filed a malicious lawsuit based on trademarks registered through unfair means to obtain illegal benefits, violating the principle of good faith and constituting an abuse of intellectual property rights. The court decided to fine the plaintiffs CNY 100,000. Unsatisfied with the decision, the plaintiffs requested reconsideration, which was rejected by the Hunan Higher People's Court. Additionally, the court reported the plaintiffs to the procuratorate for suspected malicious litigation.

Q2. What about notable cases or examples of new case law precedence?



Morris E. Cohen

Cohen: Recently, the U.S. Supreme Court issued a copyright law decision on the relationship between the statute of limitations, the discovery rule, and the ability to collect damages. See, *Warner Chappell Music, Inc. v Nealy*, 144 S. Ct. 1135 (2024).

The Copyright Act provides a three-year statute of limitations. This runs, at a minimum, from the date of the infringing act. Under the “discovery rule” applied by many courts though, the time is calculated from when the copyright owner “knew or should have discovered” the infringement. In *Warner Chappell*, the Court held that damages are recoverable for any “timely” claim: which, under the discovery rule, can include claims more than three years after the infringing act. *Id.* at 1137.

The Court, however, did not reach the discovery rule itself – the majority expressly assumed the rule for the purposes of its opinion, without deciding the correctness of applying it to copyright cases in the first place. In contrast, three dissenting justices held that “the [Copyright] Act almost certainly does not tolerate a discovery rule.” *Id.* at *1140. Thus, the viability of the discovery rule remains to be seen, and was left for a future case.



Sumi Nadarajah

Nadarajah: Several patent cases involving seeking preliminary injunctions (PI) for patent infringement have been heard before the Irish courts in the last year or so. A trend has emerged in the Irish courts where PI applications now appear to favour patentees and against generic entrants, which is in contrast to the position from about four to five years ago, which seemed to favour the generic entrants.

In March 2023, the Irish Court of Appeal ruled in favour of the patentee in the case of *Biogen MA Inc. & Biogen International GMBH v Laboratorios Lesvi SL & Neuraxpharm Ireland Ltd.* (Biogen). The appeal court overturned the High Court’s decision to refuse Biogen injunctive relief to restrain Neuraxpharm from infringing Biogen’s patent (by the launch of a generic product) for a drug used in the treatment of multiple sclerosis (MS). The appeal court took the view that the threshold test for patent invalidity must be strong and/or that there have been successive determinations on the merits invalidating the right. To overcome the high presumption of validity threshold, pharma companies who launch at risk or fail to clear the path before they launch and who wish to rely on invalidity will need to be armed with evidence of successive substantive proceedings to support their case – only then can it weigh against the grant of an injunction.

More recently, *Bristol-Myers Squibb Holdings Ireland Unlimited Company v Norton (Waterford) Limited T/A Teva Pharmaceuticals Ireland* [2023] IEHC 744 was heard before the Board of Appeal. In this case, the generic producer had sought a revocation action on the grounds of invalidity. Notice was given by the generic entrant during the proceedings of their intention to launch the product. The patentee sought an interlocutory injunction restraining entry and the Irish High Court granted a PI, which was appealed. In its judgment, the Court of Appeal was firmly of the view that if a generic producer seeks to clear the path for entry, it must do so until “all arguable objections from the patentee have been eliminated including all appeals”.

Given the general length of time it takes for court hearings to conclude in Ireland, this latest decision appears to make the landscape more favourable to patent holders – particularly if generic entrants are expected to await the outcome of all arguable objections, including all appeals, before they can launch their products in this jurisdiction.

In the meanwhile, the Irish Patents Office has not issued any written grounds for trade mark matters in 2024 as yet. This is because there has been a substantial backlog in the Office and many brand owners are currently awaiting the outcome of oppositions.

Q3. Are there any new changes on the horizon and, if so, what implications do you anticipate?



**Dr Janice
Denoncourt**

Dencourt: As an academic lawyer, my body of interdisciplinary law and accounting research is generating impact by raising awareness and breaking down academic and professional silos across accounting, corporate governance, and IP rights to ensure a holistic regulatory approach that better captures the unique role of intangibles and IP rights as commercial assets. Intangibles and IP assets tend to be under-reported by companies, thus lacking transparency which is not in the public interest.

To date, I have engaged directly with influencing and powerful corporate governance and accounting bodies such as the UK's Financial Reporting Council (FRC); the UK Endorsement Board (UKEB) (the new UK accounting standard setter), the European Accounting Association (EAA); the European Financial Reporting Advisory Group (EFRAG); the International Financial Report Standards Foundation (IFRS); and the International Accounting Standards Board (IASB) and the US Securities and Exchange Commission (SEC) making submissions, providing evidence and contributing to a literature review commissioned to inform policy makers.

I am currently a member of the [Academic Advisory Group of the UK Endorsement Board](#) (UKEB). The UKEB influences, endorses and adopts new or amended international accounting standards and consults publicly with stakeholders that have an interest in corporate financial reporting in the UK so that it can represent the UK's position to the IFRS.

The UKEB's ongoing research project considers how the accounting and reporting of Intangible Assets (which include IP rights) could be further developed to provide investors with improved financial statements. Investor would have access to higher quality information when making investment.

To quote the UKEB Chair, Pauline Wallace: "Intangibles make up a growing, and for some, extremely significant, proportion of the economic resources underpinning the growth in the value of UK companies, yet accounting standards have not kept pace. The UKEB's research will provide an important foundation for the UK's response to this once in a generation opportunity for change".

In April 2024, the International Accounting Standards Board (IASB) announced that it would begin its own comprehensive review. The aim is to ensure the requirements of IAS 38 Intangible Assets remain relevant and fairly reflect current business models or improve corporate financial reporting requirements.

It is momentous that major national and international institutional accounting policymakers are interested in intangibles such as IP rights and how they create value for firms. To read about the background to these important developments see J Denoncourt, *Intellectual Property, Finance and Corporate Governance* (2018, 2020) ISBN 9780367591410 available here: [Intellectual Property, Finance and Corporate Governance - 1st Edition \(routledge.com\)](#). I am working on a new follow up book, *Transforming Corporate Governance Law and Reporting: Intangible Risks, Technology, and Intellectual Property* to be published in Spring 2025.



Tian-ying Zhao

Zhao: On 13 June 2023, the China National Intellectual Property Administration (CNIPA) issued an interpretation on new rules regarding the suspension of review and adjudication cases ("2023 Interpretation"). The Trademark Law does not mandate the CNIPA to suspend any case while waiting for the outcome of a related case. Instead, the decision is entirely at the discretion of the CNIPA.

Q3. Are there any new changes on the horizon and, if so, what implications do you anticipate?



Tian-ying Zhao

Before the 2023 Interpretation, the CNIPA had never fully disclosed its policies on case suspension except for a newsletter released in June 2018 (“2018 Newsletter”), which set forth the preconditions for suspending the review of refusal cases. As a result, it was often difficult for right owners to predict whether a case would be suspended or how long the suspension would be. One may receive an unfavourable decision just days before another decision that could overturn the former is issued.

The CNIPA may suddenly resume the examination of a suspended case solely to reduce the number of pending cases. Undoubtedly, the 2023 Interpretation enables rights owners to formulate their action plans more precisely by disclosing the rules for case suspensions.

According to the 2023 Interpretation, the new rules specify seven circumstances where suspension is mandatory:

- The disputed or the cited trademark is in the process of name change or assignment;
- The cited trademark has expired and is in the process of renewal or within the grace period for renewal;
- The cited trademark is in the process of de-registration or withdrawal;
- The cited trademark has been cancelled (other than for non-use) or invalidated, or has not been renewed after expiration, and less than a year has passed since the date of cancellation, invalidation, or expiration;
- The case involving the cited trademark has been concluded, but the relevant decision has not yet taken effect;
- The determination of the prior right must be based on the outcome of another case; and
- In review of refusal cases, the status of the cited trademark is subject to the outcome of another case, and the applicant has requested suspension.

It is worth mentioning that according to the 2018 Newsletter, the review of refusal cases could be suspended. However, if the trademark applicant intends to remove the cited trademark through non-use cancellation or invalidation, the suspension of the review of refusal case is possible only if the non-use cancellation or invalidation request was made before the trademark application was filed. Consequently, upon receiving a refusal notice, the trademark applicant had to take three actions: request non-use cancellation or invalidation, file a fresh application, and request a review of refusal for the previous application to block similar trademarks filed before the fresh application. Under the new rules, the applicant is relieved from the burden of filing a new application.



Morris E. Cohen

Cohen: On 21 May 2024, the Federal Circuit issued an important decision overruling its prior “Rosen-Durling test.” See, *LKQ Corp. v GM Glob. Tech. Operations LLC*, 2024 U.S. App. LEXIS 12139 (Fed. Cir. May 21, 2024) (en banc). Rosen-Durling was a decades-old approach for assessing whether a design patent is invalid as obvious in view of prior designs.

The LKQ ruling is based on the Congressional statutory scheme (which provides the same patentability conditions for utility and design patents), and Supreme Court precedent regarding utility patents (which suggests that the Rosen-Durling test was too rigid). *Id.* at *5.

Thus, the decision requires a more flexible approach to assessing the patentability of designs going forward. Under the new test, designs may be more difficult to patent, and issued design patents may be easier to invalidate. In addition, the Court left certain questions open for future litigation.

Q3. Are there any new changes on the horizon and, if so, what implications do you anticipate?



Sumi Nadarajah

Nadarajah: We are anticipating the arrival of the new and modernised European Design Regulation which is currently being drafted and expected to come into force as early as February 2025.

Amongst the changes expected are the renaming of the terms Registered Community Designs (RCDs) and Unregistered Community Designs (UCDs) into Registered European Designs (REUDs) and Unregistered European Designs (UEUDs). The scope of protection is also expected to be expanded by the inclusion of new definitions in the regulations. The definition of a product will still include industrial or handcraft items, but will also extend to non-physical objects such as those that are materialised in a digital form. The new regulations also look ahead to future design protection, allowing the protection of designs in digital form, designs subsisting only in the metaverse, virtual products authenticated by non-fungible tokens (“NFTs”), graphical user interfaces (“GUIs”), and 3D CAD files necessary to print 3D models, etc.

Lawmakers hope to see a modernised EU design law which confers on the design holder a new right to prohibit “creating, downloading, copying and sharing or distributing to others any medium or software recording the design for the purpose of enabling a product [incorporating the design] to be made”. This will hopefully capture acts relating to 3D printing articles protected by the design. Additionally, holders of registered designs would be granted new rights to prevent the movement of counterfeit products from passing through EU territory.

Applicants will also welcome proposals to simplify the fee structure for registered designs and to remove the requirement that multiple designs included in a single application are of the same Locarno classification. There is also talk of a new design symbol a ‘D’ surrounded by a circle (similar to the copyright © symbol).

The European Commission is hoping to make a comprehensive effort to update, simplify and harmonise the law governing design protection within the EU.



Cecilia Falconi Pérez

Pérez: Although Ecuador has not recently published significant legislative changes in the field of intellectual property, developments are anticipated in several areas such as copyright in digital environments, and the modernisation of new patentable technologies, which will have broad positive implications for creators, innovators and the productive sector in general.

In this regard, it is expected the implementation of measures to strengthen copyright protection, mainly in the digital environment, which provides for the clarification of the rights related to the creation of works on digital platforms by IAs.

In the same way, due to technological progress, the implementation of regulations in relation to patentable material is foreseen, giving a focus to biotechnology as well as to strategic technological sectors. These changes will bring greater legal certainty for creators of digital content and industries with digital environments, to prevent and punish the unauthorised use of their content.

“The definition of a product will still include industrial or handcraft items, but will also extend to non-physical objects such as those that are materialised in a digital form.”

- Sumi Nadarajah -

Q4. What challenges are currently being presented by new technologies such as generative AI?



Tian-ying Zhao

Zhao: The emergence of generative artificial intelligence (AI) poses several challenges to the existing copyright system. Significant issues include the legality of developers to train their AIs with copyrighted content without proper authorisation, whether AI generated content (AIGC) should be granted copyright protection, the ownership of copyrights in AIGC, and the criteria for determining copyright infringement.

In the past year, Chinese courts have ruled on two landmark cases in the field of generative AI. In November 2023, the Beijing Internet Court concluded the first copyright infringement case involving AI-generated images in China, and granted copyright protection to an image generated by the plaintiff using an AI image generation software. The court confirmed that the image qualified as a work of art based on the following findings: (i) the plaintiff engaged in intellectual activities during the AI image generation process, such as designing the presentation of characters, choosing and arranging prompt words, and setting relevant parameters; (ii) the plaintiff personalised and adjusted the AI image generation process, resulting in an image with a unique artistic style and creativity, which could be considered original; and (iii) the image possesses aesthetic value. The significance of this case lies in the recognition that AIGC that meets the definition of a work should be protected.

In January 2024, a licensee of the *Ultraman* series sued an AIGC platform after discovering that images of Ultraman could be generated on the defendant's website by inputting simple instructions. In February 2024, the Guangzhou Internet Court rendered a judgment confirming that the defendant's acts infringed on the plaintiff's reproduction and adaptation rights for the Ultraman art works. The court ordered the defendant to immediately cease the infringing activities and implement appropriate technical measures to prevent users from generating images that infringe on the plaintiff's copyright.

Regarding the plaintiff's request to remove the infringing material from the training dataset, the court held that the defendant provided generative AI services by integrating with a third-party service provider's system through a programmable interface and does not actually conduct model training. Therefore, the court did not support the plaintiff's request to remove the training data. Additionally, the court's judgment clarified the reasonable duty of care that generative AI service providers must fulfil during their service provision. This includes establishing a complaint mechanism and reminding users, through service agreements and other means, not to infringe on others' copyrights. This case is said to be the first copyright infringement case against AIGC platform around the world.



Morris E. Cohen

Cohen: Recent advances in AI have introduced substantial and unprecedented challenges throughout the legal landscape, including in intellectual property law.

One such issue has been the proliferation of "deepfakes," i.e., video and/or audio created using AI to imitate a particular person's appearance and/or voice. This has caused grave concerns among celebrities whose images or likenesses have been used and manipulated without their legal consent.

Legally, "deepfake" activities implicate a person's rights of publicity, which are recognised in most states under common law and/or statute. For example, in a pre-AI case, Bette Midler sued the Ford Motor Company for airing a commercial using a voice designed to sound like hers, after she declined to participate in the project. The Court of Appeals upheld her rights in "the protectibility [sic] of the voice of a celebrated chanteuse from commercial exploitation without her consent." *Midler v Ford Motor Co.*, 849 F.2d 460, 461 (9th Cir. 1988).

States continue to address this issue, particularly in response to new developments. Tennessee, for one, has just amended its laws to address these issues in the "Likeness Voice and Image Security" (or "ELVIS Act"), which came into effect on 1 July 2024.

Q4. What challenges are currently being presented by new technologies such as generative AI?



Morris E. Cohen

There have also been calls to create a statute on this subject on the federal level. One such proposal is the “Nurture Originals, Foster Art and Keep Entertainment Safe Act of 2023” (the “NO FAKES Act”).

In the copyright arena, issues have similarly emerged. Questions have arisen involving copyright infringement and protection when parties train AI systems using copyrighted materials, use AI materials to create new works, and so forth.

Countries have likewise been wrestling with questions on the patent side. For example, patent offices around the world have taken disparate approaches to the patentability of an invention created by or using AI, and whether an artificial intelligence can be deemed an “inventor” under each country’s laws.

AI-related issues will continue to arise as the law strives to catch up with the developing technologies, both in the intellectual property area, and in the law more generally.



Sumi Nadarajah

Nadarajah: One of the most contentious issues is determining inventorship and ownership of AI-generated inventions. Traditional IP laws, such as patents, copyright, etc typically attribute inventorship to human creators. However, AI systems, with their ability to autonomously generate inventive solutions, challenge this paradigm. To date, there has been no litigation in Ireland on AI-generated IP. However, if the trends in the US and UK are to be considered, it is only a matter of time before these matters come up before our courts.

The recent EU Artificial Intelligence (AI) Act, which has been approved by the EU Parliament, requires organisations to start reviewing their AI governance, policies, and strategies. This legislation will have direct effect in Ireland. In this jurisdiction, the Department of Enterprise, Trade and Employment is leading the national implementation of the AI Act.



Cecilia Falconi Pérez

Pérez: New technologies, especially generative AI, present numerous significant challenges. The most relevant of which is related to content authorship as it raises questions about the ownership of “original” content created by generated works since the current local legislation does not regulate copyright and intellectual property generated by AI. In this sense, it would be crucial to determine whether the works generated by AI can be protected and who owns those rights.

On the other hand, it is worth mentioning that generative AI usually requires large amounts of data to create a response pattern, and much of this data can be sensitive personal data. Subsequently, there is a big challenge in trying to strictly comply with regulations to avoid privacy violations, especially when AI systems act autonomously.

In summary, although generative AI technologies offer vast untapped opportunities, it is nevertheless essential to address the challenges in a comprehensive and compliant manner to ensure ethical, responsible and socially beneficial technological development.

“Generative AI usually requires large amounts of data to create a response pattern, and much of this data can be sensitive personal data. Subsequently, there is a big challenge in trying to strictly comply with regulations to avoid privacy violations, especially when AI systems act autonomously”

- Cecilia Falconi Pérez -

Q5. What is the application process for trademarks and how patent-friendly is your jurisdiction?



Sumi Nadarajah

Nadarajah: Ireland being part of the EU has an advantage when it comes to trademark protection. Irish brand owners can avail of protection via the national Trade Mark registration system which is managed by the Intellectual Property Office of Ireland (IPOI). The application process normally takes around seven months in a straightforward case. This only protects the Mark in the Republic of Ireland. Alternatively, trade mark owners can seek to protect their Marks by way of an EU Trade Mark, managed by the EU Intellectual Property Office (EUIPO), which gives them protection by way of a single Mark throughout the 27 Member States of the EU. This application process takes around 12 months barring objections or opposition.

In terms of patents, the WIPO Global Innovation Index (GII) which ranks world economies according to their innovation capabilities indicates that Ireland ranks 22nd among the 132 economies featured in the GII 2023. We ranked 22nd among the 48 high-income group economies and 15th among the 39 economies in Europe. These are good indicators of how “patent-friendly” Ireland is within the European framework. Ireland performs well on its above average share of its contribution to patent intensive industries and in terms of GDP has shares above the EU average.



Cecilia Falconi Pérez

Pérez: The trademark application process in Ecuador is regulated by the National Service of Intellectual Rights (SENADI) and can be summarised in several key steps. Below is a summary of the process and its level of user-friendliness.

First, it is advisable to perform a trademark background search prior to filing the application to verify the availability of the desired trademark. Although this step is not mandatory, it is advisable.

Once the availability of the trademark has been verified in accordance with Art. 223 of the Knowledge Management Regulation (IP Code Regulations), the application for registration is filed online in SENADI’s web page, which must include details such as the applicant’s full name, a graphic representation of the trademark (if device or word-and-device marks), and the list of goods or services to be covered by the trademark. This online process is quite accessible and guided, which facilitates the filing of the application.

Once the application has been submitted, the National Directorate of Industrial Property will examine whether it complies with the requirements of form. If it does not comply with them, the applicant will be notified and given 60 days from the date of the notification to comply with the provisions of Art. 227 of the Regulation of Knowledge Management.

Subsequently, the publication in the gazette is ordered, in accordance with Art. 227 of the Knowledge Management Regulations. Within 30 days following the date of publication, those with a legitimate interest may file an opposition to prevent the registration of the applied mark. The applicant has 30 days to answer the opposition and submit the evidence supporting it.

Whether or not oppositions are filed, the National Directorate of Industrial Property will proceed to conduct the examination of registrability, and must rule on the oppositions filed, if any, and on the granting or refusal of the registration, by means of a duly motivated resolution.

Generally, the trademark application process in Ecuador is quite user-friendly, especially with the online tools provided by SENADI. The steps are clearly defined and there is both online and in-person support. However, the process can be a complex for those unfamiliar with the legal terminology and administrative procedures, so the advice of an intellectual property professional may be beneficial and even crucial.

Q6. Are there any notable differences in the way domestic and foreign clients approach their IP strategy within your jurisdiction?



Tian-ying Zhao

Zhao: I will use trademark strategy as an example to illustrate the differences in how domestic and foreign clients approach their IP strategy within China.

Foreign clients typically adopt a more conservative approach to trademark registration. They tend to file applications only for those marks that are already in use or are imminently intended to use. Defensive registrations on related goods and services are considered only when faced with significant risks of bad-faith registrations by third parties.

Chinese clients, on the other hand, often adopt a more proactive and expansive strategy for trademark registration. They tend to engage in defensive registration from the outset. This strategy includes filing trademarks in related classes, sometimes even across all 45 classes, and registering signs that are similar to their own to prevent others from applying for or using these signs. Moreover, many Chinese businesses file trademarks for potential future use. These may involve signs they might adopt and business area they might venture into.

This difference in approach can be attributed to the understanding Chinese clients have of the local environment. Firstly, China's trademark system operates on a "first-to-file" basis, making early registration critical for securing broader control over trademark use as the business grows. Secondly, considering the rampant trademark squatting, widespread infringement, and malicious competitive tactics employed by some competitors, investing more heavily in trademark registrations upfront significantly reduces operational risks and potential legal costs down the line.

In essence, the expansive trademark registration strategy adopted by Chinese clients reflects their desire to mitigate risks associated with the first-to-file system and protect against bad-faith registrations and other forms of IP infringement, thus safeguarding their business interests in a highly competitive market.



Sumi Nadarajah

Nadarajah: In my experience, most domestic Irish clients tend to focus their IP strategy primarily on trademark and patent protection. Whilst protection is extremely important, intellectual property is also about the value generated by introducing new or improved products, services, processes, and models – and IP management is crucial for the appropriation and management of such value. Foreign clients (particularly large foreign multinationals) focus on strategies that help them to innovate and be competitive on the market. As such, these organisations tend to have a wider portfolio of patents, trademarks, designs, copyright, trade secrets, etc in their IP arsenal and are more likely to enforce their rights and initiate IP litigation in this jurisdiction.



Q7. What are the biggest mistakes patent holders make and how can you help them to overcome these issues?



Morris E. Cohen

Cohen: One important area for inventors and companies to be sensitive to is the timing of public disclosures and commercialisation efforts vis-à-vis patent application filings, to avoid loss of patent rights.

In the United States, the patent laws have long provided a one-year grace period to apply for a patent after a publication anywhere, an offer for sale in the U.S., and so forth. The scope of the invalidating acts was then broadened under the Leahy–Smith America Invents Act (AIA) of 2011. For example, invalidating offers for sale were extended to include foreign acts as well.

Foreign countries, on the other hand, generally take a more restrictive approach. Most require that applications be filed before certain invalidating acts. As a result, it is incumbent on potential patent holders to carefully plan any disclosure and commercialisation of innovations with an eye to the various U.S. and international legal frameworks. Proper planning with patent counsel is important to ensure that valuable rights are preserved, rather than waiving them inadvertently.



Sumi Nadarajah

Nadarajah: One of the most common mistakes inventors make is to publicly disclose their invention too early. Inventors need to be careful with public disclosures and need to be educated on what is and is not allowed. Ireland has an absolute novelty requirement when filing a patent application, which means the invention cannot be publicly disclosed before filing the patent application. The EPO is also governed by similar laws. If an inventor publicly discloses the invention before filing the patent application anywhere in the world, the public disclosure would bar the inventor from getting a patent.

I have also observed that inventors often fail to consider the monetisation of their patents. Ideally, there should be a business goal behind any patent application, and the patent application should be treated as a business asset. The patent should protect the revenue stream of the business.

At times, inventors unknowingly limit their inventions because they have not given it enough thought – and there is the danger that their limitation will ultimately impact their ability to fully exploit their IP rights.

Another common mistake is when the inventor thinks the invention is not patentable. For example, people think software is not patentable. While software per se is not patentable, software-related inventions can be protected with patents by protecting a computer system that performs certain functions, a computer implemented method or a non-transient memory that configures a computer to do things. Business owners should focus on the functionalities of the app, device or system that they want protected and consult a patent attorney before deciding that there is nothing to protect.



Cecilia Falconi Pérez

Pérez: Patent holders usually make common mistakes that can affect the protection and value of their inventions. Among them is the non-compliance with the deadlines dictated by the Authority that results in the abandonment of the patent, and the lack of legal and technical advice to avoid objections from the Authority when the patent does not meet the novelty or inventive step.

In this sense, it is important to mention that by not complying with the deadlines and terms established by the authority – either to file additional documents, pay fees or respond to office actions – the patent falls in abandoned. This is why it is necessary to keep a rigorous calendar of all important dates. It is also worth considering using patent management software or hire a patent manager to monitor deadlines and ensure that all necessary actions are performed in due time.

Q7. What are the biggest mistakes patent holders make and how can you help them to overcome these issues?



Cecilia Falconi Pérez

Additionally, it is important to mention that patent applicants in Ecuador also commonly make mistakes by not performing an exhaustive search of prior patents or prior art, which may result in the filing of a patent application for an invention that is already registered, or that is not novel or patentable. The same may occur when filing insufficient or inaccurate technical descriptions of the invention, which may also result in the rejection of the patent for lack of novelty or limited protection. Therefore, it must be ensured that the patent application contains a clear, precise, complete and detailed description, including drawings, claims, sequences and examples when necessary. Therefore, it is advisable to work with a specialist in the area to draft the application, as well as with a patent attorney.

By following these recommendations, both patent holders and applicants in Ecuador can significantly improve their chances of success when applying for a patent in Ecuador and maximise the value of their inventions.

Q8. What steps should businesses take to identify, protect and tap into their IP?



Dr Janice Denoncourt

Dencourt: For more than a quarter century, it has been recognised that there is a link between economic development and environmental protection. Now, there is more scrutiny as to how investment in IP rights supports sustainable development.

Sustainable Development Goal 9 (SDG 9) to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation has a clear link to innovation, research and development, often leading to patented inventions in the private sector. The idea is that the more targeted the research, the quicker new low- and zero-carbon technology will become viable and then commercialised. SDG 9 places considerable impetus on forging the development of future technologies which currently do not exist. In the public sector, the government's approach to the SDGs is broad and covers a range of activities, approaches and areas of life that are aspirational, collective and universal.

The UN Statistical Commission published the SDG indicators in 2016, revised in 2017. In relation to SDG 9 a key indicator is:

9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

However, both the private and public sectors are hampered by a lack of data collection to enable reliable and consistent means of tracking and accurately reporting and assessing progress. Further, the lack of data also makes it difficult to share best practice.

In the private sector, corporate commitment to engage with the SDGs is linked to corporate accountability. The SDGs provide firms with a voluntary framework to strategically align their operations and internally developed and acquired IP rights with socially accepted SDGs. By committing to the SDGs, corporate IP rights owners are publicly declaring their intent to contribute to sustainable development which establishes some degree of accountability to their shareholders and other stakeholders. Thus, linking important corporate IP rights to a particular SDGs has potential to assist communicate the firm's ESG contributions.

Q8. What steps should businesses take to identify, protect and tap into their IP?



**Dr Janice
Denoncourt**

Corporate SDG reporting is gaining traction in academic and practitioner debates especially given the European Union's new Corporate Sustainability Reporting Directive (CSRD). With the phasing out of the previous Non-Financial Reporting Directive (NFRD), the CSRD takes over as the guiding directive for businesses operating in the EU to report their sustainability performance. Where the EU leads, the UK tends to follow. Corporate reporting of how significant corporate-owned IP rights support the SDGs and sustainable development is an emerging area of research of great importance.

See: J. Denoncourt, Companies and UN 2030 Sustainable Development Goal 9 Industry, Innovation and Infrastructure (2019) *Journal of Corporate Law Studies* 20(1), pp199-235; <https://doi.org/10.1080/14735970.2019.1652027>



Sumi Nadarajah

Nadarajah: As a first step, businesses need to identify their IP by reviewing their innovations to determine what aspects are unique and eligible for protection. They should regularly consult with their IP advisors. Then, the business should choose the right protection. Depending on the nature of the innovation, decide whether it needs patent or trademark protection, design registration, or should be kept as a trade secret. Each type of IP protection has its strategic advantage.

Once this has been determined, they need to apply for protection by filing the necessary applications with the appropriate government bodies (Patents Office, Trade Mark Registry, etc).

Enforcement of their rights is equally important for businesses. They need to closely monitor the market for potential infringements of their IP rights. If they find that their IP is being used without permission, enforcement is required through legal channels.

Businesses also need to maintain their IP. For patents, trademarks and designs, renewal requirements such as renewal fees or periodic filings are important. Keeping detailed records of their IP assets and their statuses is crucial to any business.

By effectively managing their IP, companies not only protect their current innovations but also secure a foundation for future development and expansion.



**Cecilia Falconi
Pérez**

Pérez: The protection and use of intellectual property (IP) is important to maintain a competitive advantage and promote innovation. A critical point is to identify intellectual property rights, for which a comprehensive inventory of all intangible assets such as patents, trademarks, copyrights, software, industrial designs, trade secrets, etc., must be made in order to apply for protection correctly.

Once the inventory has been made, it is important to make a strategic classification – i.e. a trademark, patent, copyright, plant variety, amongst others – order to apply for its registration before the SENADI to obtain legal protection. This strategic classification will be based mainly on the line of business of the company and the commercialisation of the products and/or services they have.

Q8. What steps should businesses take to identify, protect and tap into their IP?



Cecilia Falconi Pérez

It is also very important to apply for registration in advance when developing new products that will bear new trademark. This will ensure that when the products go to market, they will already have the registration of the trademark, be certain that the use of the trademark does not infringe the rights of third parties and that they cannot claim to cease the use of this identifier.

In this manner, it is important to have the support of lawyers specialised in intellectual property to ensure compliance with laws and regulations, and to avoid possible errors in the protection of intellectual property rights. The implementation of these measures will help companies to maximise the value of their intellectual property assets, protect their innovations and maintain a competitive position in the market.

Q9. What are the best practice procedures for managing large IP portfolios?



Dr Janice Denoncourt

Dencourt: There are rising policy concerns regarding how corporate governance and annual reporting should deal with intangibles such as intellectual property rights, brands and trade secrets and new forms such as algorithms, AI, and copyright-protected software.

In new research, my co-authors and I note that even when companies have a similar business model, there is still a lack of consistency in terms of the language and terminology used to describe their intangible assets and IP rights in their corporate annual reports. Our analysis of hundreds of European companies found that no obvious 'best practice' has emerged. In fact, practice related to the disclosure of IP rights varies.

We also noted a troubling issue, namely, the potential for confusion and even misleading statements being made in corporate annual reports when IP rights are grouped together. Whether this is a strategy to deliberately obscure certain intangible IP assets was not clear.

It is important to explain that larger firms with big IP rights portfolios (e.g. patents, trade marks, copyright-protected software and AI, trade secrets etc) tend to develop their own internal classification. IP rights intensive companies often aggregate their IP assets in the annual report based on their function (e.g. 'research-related IP' and/or 'product-related IP').

Key questions remain, "What is the level of granularity or detail that larger listed firms should be required to report to shareholders when they own large IP rights portfolios?". What should be considered 'material IP rights information' in the context of providing decision useful information?

To read our new research on corporate reporting and IP rights see: C. Garcia, J. Denoncourt and A. Quagli , 'Disclosure Patterns of Intangibles in the Pharmaceutical Industry: Implications for Corporate Digital Reporting in XRBL' Accounting, Economics and Law: A Convivium, De Grutyer submitted on 21 March 2024, forthcoming.

"It is important to explain that larger firms with big IP rights portfolios (e.g. patents, trade marks, copyright-protected software and AI, trade secrets etc) tend to develop their own internal classification."

- Dr Janice Denoncourt -

Q9. What are the best practice procedures for managing large IP portfolios?



Tian-ying Zhao

Zhao: Here are some best practice procedures for effectively managing large IP portfolios:

- **Centralised IP management system:** Use dedicated IP management software to track and manage all IP assets, including patents, trademarks, copyrights, and trade secrets, and maintain detailed records of all IP-related activities, including filings, communications, and transactions.
 - **Regular audits and reviews:** Conduct regular audits to assess the status, value, and relevance of each IP asset, and regularly review the portfolio to identify gaps, overlaps, potential vulnerabilities in the IP portfolio, and opportunities for strengthening IP protection.
 - **Competitor analysis:** Analyse competitors' IP filings to identify gaps, potential infringements, and opportunities for differentiation.
 - **Strategic filing:** Make new filings based on business goals, market potential, and competitive landscape.
 - **Maintenance:** Track annuity and renewal deadlines to ensure timely actions and avoid unintentional lapses.
 - **Enforcement and defence:** Implement monitoring systems to detect infringements of IP rights, and develop a clear strategy for enforcement, including criteria for taking legal action against infringers.
 - **IP training and awareness:** Conduct regular training sessions for employees to raise awareness about IP importance and best practices.
 - **Cross-functional Team:** Establish cross-functional IP teams, including R&D, legal, and business development, to ensure cohesive IP management.
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Sumi Nadarajah

Nadarajah: Successful IP portfolio management involves a larger scale of decisions, starting from product research and development, through the patent/trademark application, prosecution, enforcement, and until the end of life of the product or until the patent has expired (or the brand no longer in production). In addition, at each stage of the IP lifecycle (i.e. from filing to payment of post-grant annuities or renewal of TM registrations), the portfolio manager has to interact with clients, attorneys and IP offices. Concerns with respect to receiving timely instructions from clients and prompt responses from foreign attorneys often arise. Moreover, interacting with different foreign IP offices can become challenging due to language and time barriers, which can often add to the difficulties faced. Finally, a key requirement for the effective management of a global IP portfolio is having a network of reliable, knowledgeable and efficient associates in jurisdictions around the world that share the goals and values of the portfolio manager.

Q10. What are the main priorities when filing for IP protection and how important is it to regularly review your portfolio?



Sumi Nadarajah

Nadarajah: The main priorities when considering IP protection is to assess the brand or invention or design, the geographical coverage required by the business, and the budgets set aside for IP protection. For global businesses, it is important to develop an IP protection strategy based on the primary brands, core inventions, etc – and which also needs to consider enforcement and maintenance requirements. Once a business has built up a sizeable IP portfolio, it is critically important to conduct period reviews to determine if the existing IP is still required, and to also constantly ensure that any new innovation is efficiently and adequately protected and enforced.

Failure to regularly review your IP portfolio could result in a company unnecessarily paying fees towards IP that is no longer relevant or required. There is also the danger that the monies which are being directed towards old IP is not being utilised to protect current and new innovations, which could then be vulnerable to infringement.

Q10. What are the main priorities when filing for IP protection and how important is it to regularly review your portfolio?



Cecilia Falconi Pérez

Pérez: There are several priorities that are key factors in ensuring that IP rights and effectively protect the trademark portfolio and maximise its value as well as other intellectual property rights. Among them is the importance of identifying IP assets (patents, trademarks, copyrights, industrial designs, trade secrets, etc.) and determining which IP assets are most critical to the company's business and competitive strategy.

When applying for protection of a new IP right, it is important to ensure that it does not infringe the rights of third parties. In the case of patents, it is also necessary to verify whether the innovation meets the legal requirements for protection, such as being patentable.

Strategically, it is necessary to considering the relevant markets and competition when determining which countries or regions to apply for protection. Additionally, always be sure to comply with the filing deadlines to avoid loss of rights.

It is also important to periodically review your portfolio to ensure that all IP rights are up to date, paying the appropriate maintenance and renewal fees and with updated registration information (changes of ownership, address, etc.). This review will also allow you to detect possible infringements and take legal action, when necessary, as well as identify new areas of innovation that require protection to maximise the value of your IP assets.

Q11. What role should intellectual property play during a proposed merger or acquisition?



Morris E. Cohen

Cohen: An IP portfolio is frequently one of the most valuable assets of an entity that is the subject of a proposed merger or acquisition. Patents provide a company with rights to exclude other members of an industry from practicing inventions. Trademarks protect a brand and its goodwill. Copyrights protect original works of authorship, and trade secrets protect confidential information that provides a company with an advantage in its business.

As a result, a thorough review and assessment of a company's intellectual property portfolio by experienced IP counsel is essential in any transaction. As an example, due diligence needs to be conducted to ensure that all inventors have assigned their patent rights to the appropriate company, and that all copyright rights have been transferred under the work-for-hire doctrine and/or via applicable assignments from independent contracts.

Overall, IP counsel need to play a central role to maximise the protection, valuation, monetisation, and future enforcement of IP before and after a merger or acquisition, to execute optimal business strategies for the new entity (or entities) going forward.



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