



**Canadian
Intellectual Property
Office**

An Agency of
Industry Canada

**Office de la propriété
intellectuelle
du Canada**

Un organisme
d'Industrie Canada

Stand out from your competitors

Patents

Trade-marks

Copyrights

Industrial
designs

Integrated
circuit
topographies

Make intellectual property
your best business ally

Canada 

CIPO  OPIC

An aerial photograph of a city, showing a wide road or highway in the foreground and a dense urban area in the background. The image is overlaid with a faint, light-colored grid pattern. The entire image has a warm, orange-tinted color palette. A black horizontal bar is positioned across the middle of the image, containing white text.

STAND OUT FROM YOUR COMPETITORS

MAKE INTELLECTUAL PROPERTY YOUR BEST BUSINESS ALLY

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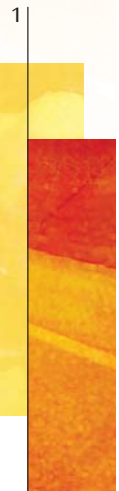
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Your intellectual property (IP) is one of your most valuable business assets. When used strategically in your business, it can increase your competitiveness and allow you to reap numerous benefits. But before you go any further, it is crucial you understand what IP really is. This booklet will introduce you to the basic principles of the Canadian IP system, administered for the most part by the Canadian Intellectual Property Office (CIPO), and will show you how IP can become your best ally when integrated into your business.

Intellectual property: What does it really mean?

Intellectual property (IP) refers to the creations of the mind, such as inventions, literary and artistic works, as well as symbols, names, pictures, designs and models used in business. Patents, trade-marks, copyrights, industrial designs, integrated circuit topographies and plant breeders' rights are referred to as "IP rights." Just as rights are acquired when a building or land is purchased, IP rights are "property" in the sense that they are based on the legal right to exclude others from using the property. Ownership of the rights can also be transferred.

IP surrounds us, whether we are at home, at school or at work. New products, brands and creative designs appear almost daily in the marketplace and are the result of ongoing innovation and creativity. Various forms of IP are with us every day — think of that new sophisticated mattress, your alarm clock, your favourite brand or book, or the latest innovative product.

You may discover, while reading this booklet, that you might own a significant number of valuable IP assets; it may be the name of your company, your client listing, your annual report or research paper, your logo or graphic image, or the visual appearance of your product.

Having identified your IP assets, you can start putting in place strategies to safeguard them and prevent others from diminishing your competitive advantage. By learning how to exploit the wealth of strategic information contained in various IP databases, whether they are Canadian or international, you can give your business a competitive edge and really stand out from others.

We suggest you seek more information from our office, or appropriate advice from your business advisor or an IP expert, before acting on any information contained in this publication.

The Canadian Intellectual Property Office: The essence of what we do

The Canadian Intellectual Property Office (CIPO), a special operating agency of Industry Canada, is mainly responsible for the administration of the IP system in Canada. Details regarding each type of protection covered under this formal IP system are provided throughout this booklet.

CIPO encourages invention, innovation and creativity in Canada; fosters the use of the IP system and the exploitation of IP information; and promotes Canada's international IP interests.



CIPO's Client Service Centre (CSC) is one of the central points of entry for all general enquiries. It also handles client requests for printed publications. The CSC plays a critical role in disseminating valuable IP information and provides the following services:

- information on various aspects of IP;
- detailed information on filing requirements;
- consultation with an information officer;
- access to IP databases and searching guidance;
- access to search tools (classification manuals, index manuals, domestic and foreign documents, reference documents); and
- certified copies and photocopy service.

CIPO's Web site (www.cipo.gc.ca) is a preferred means for clients to acquire the information they need to make sound business decisions.

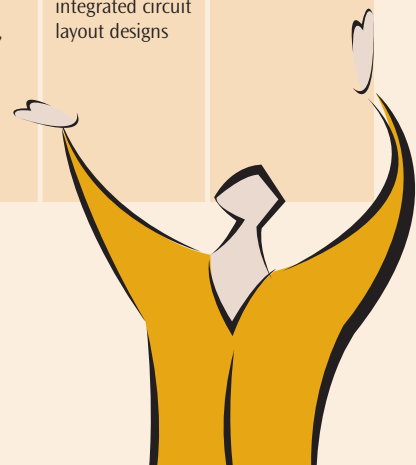
The site contains a vast array of resources such as information guides, frequently asked questions, publications, electronic services, as well as a collection of domestic and international links. You can also access our Canadian patent, trade-mark and copyright databases which, as you will discover, offer a wealth of information.

The Canadian IP system at a glance

	Patents	Trade-marks	Copyrights	Industrial designs	Integrated circuit topographies	Plant breeders' rights
Term	Up to 20 years after filing	Renewable 15-year period	Generally life plus 50 years	Up to 10 years	10 years	Up to 18 years
Protection	Apply nationally	Apply nationally	Automatic, apply internationally (but registration can be sought in Canada)	Apply nationally	Apply nationally	Apply nationally
Protects against	Use, sale, manufacture	Use	Copying, reproducing	Manufacture, sale, rent or importation	Use, sale, manufacture	Reproduction
What is protected	Inventions	Identity of your products and services: words, symbols, designs	Original literary, artistic, musical and dramatic works and other subject matters: sound recordings, performances, communication signals	Visual appearance of a product: ornamentation, shape, pattern, configuration	Original integrated circuit layout designs	Plant varieties

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INTRODUCTION





BUSINESS OPPORTUNITIES

Developing strategies for protecting and exploiting IP

The real value of intellectual property (IP) resides in your capacity to use it as an integral part of your business. An innovative business will make effective use of IP to market itself, sell more products and services, and leverage its resources and skills in order to gain a competitive advantage in the marketplace.

Protecting your creations by using the formal IP system is just the tip of the IP iceberg. The IP you have developed as a tool or asset may be protected in various ways — more than one type of protection may apply, depending on the type of business you are in.

Businesses, innovators and creators should take the appropriate steps to exploit their IP assets and protect them to the greatest extent possible. Like physical assets, IP assets must be acquired and maintained, accounted for, valued, monitored closely, and properly managed in order to extract their full value. But before this can be done, you must first acknowledge the value of IP and begin to see it as a valuable business advantage.

You can protect your IP, develop useful exploitation strategies, and start integrating it into your business using a mix of combinations that best apply to your situation.

Here are a few avenues to explore:

Take stock of what you have

In an innovative, dynamic business, the value of IP can be much greater than the value of its physical assets. When a company is conscious of the use and value of IP, it creates an environment that provides a foundation for mergers, joint ventures, or research and development agreements.

Developing effective IP protection strategies will depend on your particular business. An effective strategy may involve a range of IP

protection options. As an example, you may seek patent protection for your product, register its design and develop a branding strategy based on a registered trade-mark.

You may decide patent protection is not worthwhile and that maintaining secrecy and using confidentiality agreements will provide enough time in which to develop brand recognition and loyalty or develop new products and services. Or you may only focus on a trade-mark to develop your position in the marketplace. As an example, a strong brand equity, of which a registered trade-mark represents the main component, is a useful adjunct to a rapid production and development strategy because once your product is in the marketplace, you cannot prevent others from copying it.

Using a range of protective measures gives you layers of protection and strengthens your position in the marketplace. Whatever strategy you adopt to protect your IP, it should ideally be integrated into your overall business plan. Explore all the options available and seek professional advice if required. You would normally turn to a professional for the production of legal documents such as a will or rely on a real estate agent to sell your house. Integrating IP in your daily activities should be viewed as a long-term investment, so why not consider professional help with the management of your IP assets?

Explore trade secrets and confidentiality agreements

A trade secret can provide effective protection for some technologies, know-how and other forms of IP. Ideally, it should be backed up by signed confidentiality agreements to preserve secrecy and proprietary knowledge. Relying on trade secrets is useful when the IP is unlikely to result in granted patent rights or you wish to retain exclusive use beyond the term of a patent. A trade secret strategy is appropriate when it becomes difficult to copy the construction, manufacturing process or formulation from the product itself.

Secrecy, however, does not stop anyone from inventing the same product or process and commercializing it. It does not give you exclusive rights and you are vulnerable when employees sworn to secrecy leave your firm. Furthermore, trade secrets are difficult to maintain over long periods or when a larger number of people are privy to the secret. Secrecy is harder to enforce and protecting it is potentially more costly than granted rights because it relies on the complexity of proving a breach of confidence under common law or civil right.

Licensing opportunities

Taking out a license on someone else's IP can be an effective exploitation strategy. You may have a good idea but realize someone else has already thought of it. Acquiring a license is a cost-effective alternative to investing in development which has already been done.

Another approach is licensing your IP to another party, particularly if you do not have the resources or experience to develop and market your product or service. As with all the other aspects of commercializing your IP, licensing needs to fit in with your business strategy and practices.

Successful exploitation strategies and effective searches

Reviewing relevant literature can save a lot of time, money and effort. With the emergence of new technologies, a number of IP databases are available on the Internet. When Web site searches are not possible, searches can be conducted at CIPO's headquarters in Gatineau, Quebec.

The information contained in IP databases can provide your business with important insights that may be used to:

Prepare feasibility studies

Most inventions are disclosed to the public for the first time when a patent application is published. Thus, patent applications and patents provide a means of learning about current research and innovations often long before the innovative products appear in the marketplace. You can find this useful information by browsing through patent databases. If there are multiple patents for a particular type of product but no such product is in the marketplace, you can be assured that there is little interest in such a product.

Find possible partners and markets

If you are interested in developing and marketing a particular type of product, you can search the patent and trade-mark databases to find companies that already own patents or trade-marks in related areas. Similarly, you may be able to find information about IP that you could purchase or license to market or improve your products or services.



Avoid possible infringement and identify potential competitors

When selecting a trade-mark for example, you should find out whether the mark you are proposing, or similar ones, have already been registered by other enterprises for the category of products, services and markets you are interested in. This type of information is obtained by conducting a trade-marks search. Doing it early is crucial so as to avoid unnecessary conflicts with other enterprises and loss of resources. You can find out who is in the same business by conducting a trade-marks search for particular products and services.

Anticipate changes in your line of business

Keeping track of patents in your field can help you plan for changing market conditions. For example, a number of large players have patented technology that makes long-distance

surgery possible. A company that supplies technology or technical support services to hospitals could use this information, which it would locate in patent databases, to prepare products or services to meet the new needs of hospitals that adopt this technology.

Obtain permission to use copyrighted work

Conducting searches in the copyrights database will allow you to find material of interest and enable you to get in touch with the creator of the work to obtain permission to use or reproduce copyrighted material. As an example, a firm interested in producing a technical procedures manual may contact a few authors and obtain special permission to use or reproduce various sections of their manual.

Keep in mind...

When dealing with valuable property or complex property issues, it is standard practice to seek expert help, and IP is no different. There are a variety of professionals ready to help you, including business and legal advisors, registered patent agents or lawyers (who can also help with industrial designs), registered trade-mark agents or lawyers, and copyright lawyers. They can give you strategic advice about developing an effective strategy. You will find out when and how to apply for IP protection and how to save money by avoiding pitfalls.





TYPES OF IP RIGHTS

Formally protect your IP assets

The following section deals with the protection of your creations through the formal intellectual property (IP) system. It is only intended as an introduction to IP. You can obtain detailed information on the registration and examination process by simply contacting our Client Service Centre or visiting CIPO's Web site (www.cipo.gc.ca).

Patents, trade-marks, industrial designs, integrated circuit topographies and plant breeders' rights are all legally protected under the Canadian IP system. Although copyright protection is automatic, registration can be sought for additional protection. Ownership

of these rights is the legal recognition, and reward, you receive for your creative effort. You can own, sell, license or bequeath IP in much the same way you would acquire a building or a piece of land.

In some ways, the acquisition of IP rights is like having a receipt for your IP. It raises the bar for anyone who wants to challenge your right to that property. Once acquired, there is good reason to believe that you do own the rights to this property; legally, this is called *prima facie* evidence of exclusive ownership across Canada. It changes the burden of proof. You do not have to prove you own the IP — your opponent has to prove you do not own it.

IP rights can also enhance the value or worth of your business in the eyes of investors and financing institutions. In the event of a sale, merger or acquisition, IP assets may significantly raise the value of your enterprise, and at times may be the primary or only true assets of value.

You should therefore contact the relevant government organization (see below) if you want to benefit from the legal protection that the IP system offers.

The five types of IP protection administered by CIPO vary in the protection they provide and in the length of time for which protection is covered. A tariff of fees also applies to each type of protection. Visit CIPO's Web site (www.cipo.gc.ca) for the complete list of applicable fees.

The Plant Breeders' Rights Office, which is part of the Canadian Food Inspection Agency, administers the *Plant Breeders' Rights Act* and Regulations which provide legal protection to plant breeders for new plant varieties for up to 18 years. You can contact the organization for more information on the subject. Visit the Agency's Web site (www.inspection.gc.ca) or call (613) 225-2342.

Thinking of exporting or expanding your business internationally?

Even if you have secured protection for your IP in Canada, you should consider seeking similar protection in your target markets or where you will find manufacturing competition. Learn about the laws in the countries of interest. You will find on our Web site a list of domestic and international links.

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TYPES OF IP RIGHTS



Patents

Whether you are in the business of developing cutting-edge technology or making improvements to well-known products, apparatus or processes, it is in your best interest to learn more about patents.

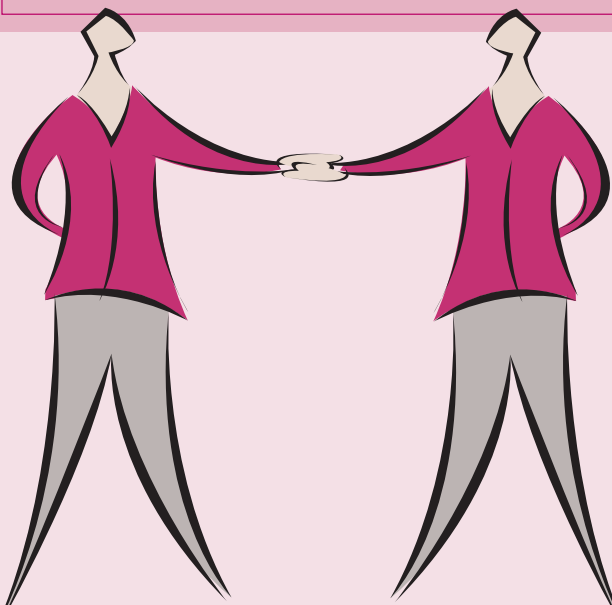
Patents are government grants that give inventors exclusive rights to their inventions. Patent protection applies in the country that issues the patent. In Canada, this protection extends for 20 years from the date of filing. Patents are granted for products or processes that are new, workable and ingenious (novel, useful and inventive). In this way, patents serve as a reward for ingenuity.

A win-win situation

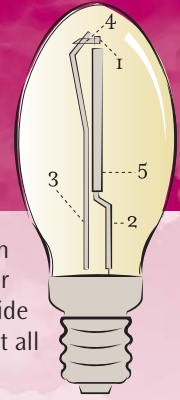
When filing for a patent, the applicant commits to providing the government with a full description of its invention in return for possible patent protection.

To enrich the total body of technical knowledge in the world, the details of patent applications filed in Canada are disclosed to the public after an 18-month confidentiality period.

In this way, patents provide not only protection for the owner but valuable information and inspiration for future generations of researchers and inventors.



Patents can be sold, licensed or used as an asset to negotiate funding. In exchange for this benefit, inventors are obliged to provide a full description of their invention so that all Canadians can learn and benefit from the advance in technology and knowledge.



To be eligible for patent protection, the invention must be new (first in the world). Second, it must be useful (functional and operative). Finally, it must show inventive ingenuity and not be obvious to someone skilled in that area.

The invention can be a product (a door lock), a composition (a chemical composition used in lubricants for door locks), an apparatus (a machine for making door locks), a process (a method for making door locks) or an improvement on any of these.

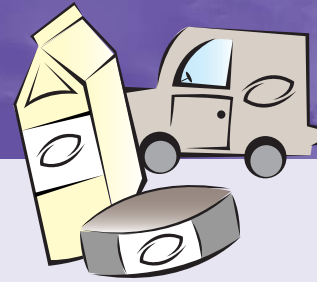
In Canada, patents are given to the first applicant. Therefore, it is wise to file as soon as possible after completing an invention, in case someone else is on a similar track.

Public disclosure of an invention before filing may make it impossible to obtain a patent. There is an exception in Canada if the disclosure was made by the inventor, or by someone who learned of the invention from the inventor, less than one year before filing. Most other countries require filing before use or written disclosure anywhere.

Registered patent agents can help inventors with the many complexities of patent law. CIPO recommends that most inventors make use of an agent's services. Registered patent agents must pass rigorous examinations in patent law and practice before they may represent inventors. A list of registered patent agents is available on CIPO's Web site (www.cipo.gc.ca).



Trade-marks



One of the most important assets your business has is its brand. You use your brand to promote your products and services and by doing so you help your customers identify your products with your company and reputation. Your brand creates value by helping your customers differentiate your products from those of your competitors. The investment you have made in these brands and corporate identities can be protected under the *Trade-marks Act*.

A trade-mark is used to distinguish the products or services of one person or organization from those of others in the marketplace. Trade-marks come to represent not only the actual products and services but the reputation, experience and expertise of the business.

Types of trade-marks

Ordinary trade-marks are words or designs or a combination of these that distinguish your products and services. If you are currently selling your products or services you are probably already using a trade-mark without knowing it or even having it registered with CIPO.

Some companies use distinctive shapes or wrappings of their products to help their customers differentiate their products from those of others. This wrapping or shape may not have any of the elements of an ordinary mark but could be registered.

What about your company name? Can it be used as a trade-mark?

Your company name can be registered as a trade-mark only if you are using the name of your company to distinguish your products and services from those of others. The fact that you have protected your trade name at the federal or provincial level does not equate to having a registered trade-mark.

Why is it important to register your trade-mark?

You are not required to register your trade-mark but it is highly recommended. Registering your trade-mark will help you to protect it from imitation and misuse. Owning a registered trade-mark gives you the exclusive rights to its use throughout Canada for 15 years and is renewable after that. By registering your trade-mark you can more easily protect it through legal proceedings.

Preparing a trade-mark application can become a complex task, particularly if a third party challenges your right to the mark. You may file on your own, but seeking advice and direction from a registered trade-mark agent can be of great help and value. A list of registered trade-mark agents is available on CIPO's Web site (www.cipo.gc.ca).

Copyrights



Any original literary, dramatic, musical or artistic work is subject to copyright from the moment it is created. Paintings, safety instructions, Web pages, how-to manuals and a prospectus, for example, are all copyrighted.

Copyright law protects the expression of the idea; it does not protect the ideas embodied in the work. There are two rights in a creation: a right in the physical property of the creation itself, and a right in the intangible property.

Copyright protection is automatic. Using your copyright more effectively is largely a matter of informing yourself about the complex ways that copyright can be used and licensed from, or to other people. Because you own the copyright on these materials, you can control the ways they are used; others who want to use the materials will have to buy or obtain permission from you to have the right to do so. You can also limit the ways they use the materials so that the value of your investment is protected.

Generally, the owner of the copyright is the creator of the work. However, if you create a work in the course of employment, the copyright belongs to your employer unless there is an agreement to the contrary. But you are still the author of your creation.

Although copyright protection is automatic as a matter of common law or civil right, there are still benefits to registering your copyright. It is evidence that your work is protected by copyright, and may make an important difference in case of a legal dispute.

Upon registration of a copyright, a certificate is issued providing evidence that the person registered is the copyright owner. This certificate delivered by CIPO can be used in court to establish ownership.

Generally, copyright in Canada exists for the life of the author plus 50 years following death. After that, the work becomes part of the public domain and anyone can use it. However, there are some exceptions. You can obtain more details by contacting our Client Service Centre or visiting CIPO's Web site (www.cipo.gc.ca).

Did you know?

Shakespeare's plays are part of the public domain; everyone has an equal right to produce or publish them.



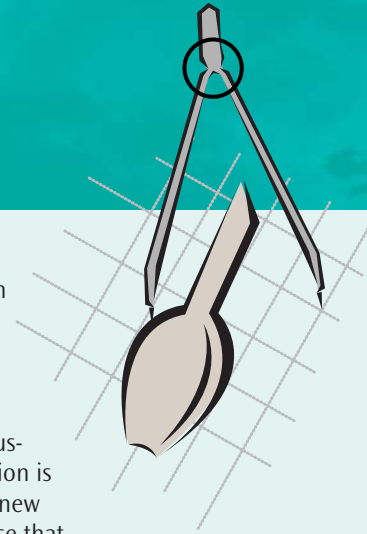
Industrial designs

If you invest a lot of hard work producing distinctive new products, you will want to learn more about the benefits of registering your designs. An industrial design comprises those features of a product that appeal to the eye. Specifically, it is the features of shape, configuration, pattern, ornament or any combination of these features of a particular product. For example, your design could be a new shape for the hood and fenders of a car, the features of ornamentation of a piece of jewellery, the original pattern in a woven sweater, or all of the visual features of a computer monitor. The visual appeal of a product provides businesses with a competitive edge in the marketplace, setting their products apart from others and making their product the one consumers will buy.

It is important to note that a design must be registered in order to have protection against infringement. By registering your industrial design, you get exclusive rights for up to 10 years. A registered industrial design will give you a legally enforceable right to use your product's design to gain a marketing advantage. It also prevents others from manufacturing or selling the design without your permission. As owner of the design, you are able to sell those rights or license others to make, use and sell your design.

To be eligible for registration, a design must be original. That is, it must not closely resemble a design already registered. Also, industrial design registration is intended to protect new designs and not those that have been in the marketplace for some time. You must apply to register your design as early as possible; since once you have made the design public, there is a one-year limit to file the application.

When seeking industrial design protection, you need to be aware that the protection you receive is for the appearance of the article. The protection does not extend to aspects protected by a patent such as how the product functions, how it is constructed or what materials it is constructed from.

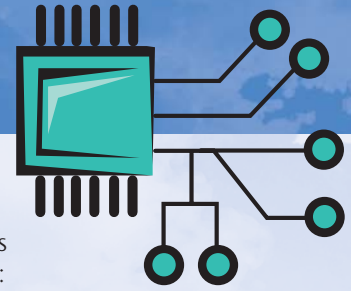


What is the difference between a patent and an industrial design?

An industrial design relates to the appearance of a product or part of a product.

A patent is concerned with the function, operation, manufacture or material of an item.

Integrated circuit topographies



Integrated circuit topographies are three-dimensional circuit designs used in technology ranging from electronics in cars and household appliances to robots and spacecraft.

Because this is still a relatively young field, new approaches and standards are being developed by both the industry itself and, in response, by the government agencies that regulate the industry. Understanding these regulations and the way they apply is valuable not only for protecting your IP but also in planning your business strategies.

An integrated circuit topography protects the three-dimensional shape of the interior of the integrated circuit, i.e., their elements and interconnections. It is much like a topographic map of the interior. Often people confuse printed circuit board and integrated circuit, commonly called microchip or chip. The board comprises many elements and one of them may be an integrated circuit.

To qualify, a topography must be developed through the application of intellectual effort, and not by the reproduction of all, or a substantial part, of another topography. Integrated circuit topography protection lasts to the end of the tenth year (December 31) from the date of filing of the application, or from the date of first commercial exploitation of the topography, whichever is earlier.

The legislation permits owners of registered topographies to exclude others from:

- reproducing a protected topography or any substantial part of one;
- manufacturing an integrated circuit product incorporating the topography or a substantial part of one;
- importing or commercially exploiting (which includes the sale, lease, offering or exhibiting for sale or lease, or other commercial distribution) a topography or a substantial part of one, or of an integrated circuit product that embodies a protected topography or a substantial part of one; and
- importing or commercially exploiting an industrial article which incorporates an integrated circuit product that embodies a protected topography, or a substantial part of one.

A full range of avenues for civil recourse, including injunctions, damages and exemplary damages, is available to the owners of registered topographies. In addition, a court may require Canada Customs and Revenue Agency to stop products that violate an owner's right from entering the country.

Next steps

Integrating IP into your business and using it as an asset will help you achieve your business objectives. The following summarizes the key elements in learning more about IP and developing an effective strategy that is in line with your business plan.

Do your IP homework first

1. Start exploiting IP information — it's to your advantage. Learn more about the Canadian IP system and the related laws that govern it.
2. Find out about the various types of protection at your disposal and discover how it applies to your own situation.
3. Take stock of what you have. Start building an inventory of your IP assets to include in your business plan, and make sure you actually own the IP you think you own.

4. Look at various information sources either from CIPO, your legal or business advisor, or an IP professional, and consider the various ways you can use and exploit IP in your overall business.
5. As a first step prior to investing in your IP assets, explore trade secrets and confidentiality agreements to, at least, keep processes or proprietary knowledge secret.

Legal protection

1. Assess the situation and look at all options. See what is covered under common law or civil right and consumer protection legislation (fair trading). The protection already offered may be adequate and suit your purposes.
2. Assess the advantages and disadvantages of each option. Start looking at creating a winning strategy to fully protect your valuable IP assets to indeed give your business a competitive edge.

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CONCLUSION

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