

LEGAL
WRANGLING

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PROTECTING YOUR IP

Worried that someone might be able to wrest your intellectual property away from you? Here's how you protect your IP.

FOR MOST businesses, ownership of the rights to a brand name, slogans, designs, content, inventions and code bases are of utmost importance for the success and value of the business. These rights are collectively known as intellectual property rights.

Getting a business' intellectual property protection wrong can be a very expensive mistake, in both the long and short run, and, whilst getting it right is not too difficult, it requires awareness of the best avenues available to protect one's rights.

Intellectual property protection quite often requires a combination of carefully constructed agreements being put in place with both internal employees and external parties to protect and enforce such rights, in conjunction with the registration of rights where possible.

HOW TO AVOID FIVE COMMON IP MISTAKES

Below are some of the common mistakes made in the treatment of intellectual property rights and how best to avoid them.

1 Ownership of intellectual property rights created by an independent consultant or sub-contractor

Generally, intellectual property rights created by a consultant or sub-contractor, are, by default, owned by the consultant or sub-contractor concerned and not by the company that contracted with the consultant or sub-contractor.

Solution:

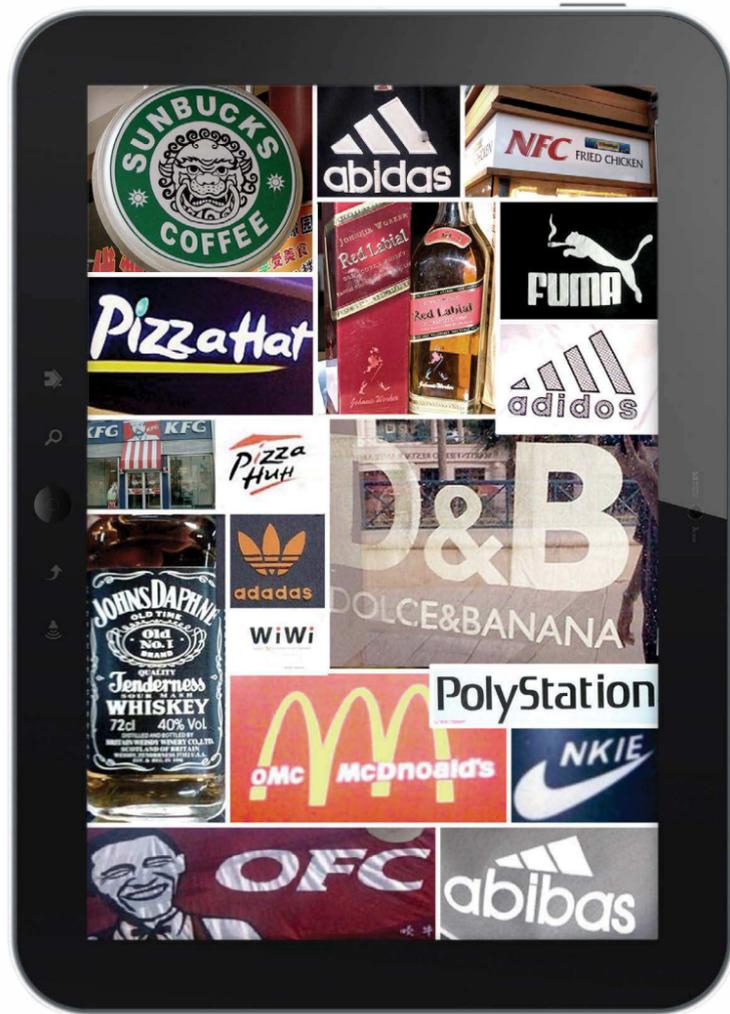
Included in the agreement with the consultant or sub-contractor should be a clause to the effect that all intellectual property rights created by the consultant or sub-contractor are automatically transferred and assigned to the company upon their creation. There should also be a provision to the effect that the consultant or sub-contractor is required to facilitate and assist in such transfer and assignment.

2 Ownership of intellectual property rights created by employees

The general rule in this regard is that intellectual property rights created by an employee are automatically owned by the employer. Difficulty can, however, arise in instances where it is disputed that such intellectual property rights were created in the course of the employee's employment.

Should intellectual property rights be situated on, for example, an employee's private resource, such as his or her own laptop, or be demonstrated to have been created outside of working hours, doubt is cast on whether the employer is entitled to own intellectual property rights arising from this.

5 COMMON IP MISTAKES THAT COST YOU MONEY – AND HOW TO AVOID THEM



Solution:

The inclusion of a clause in an employee's employment agreement where the employee acknowledges that all intellectual property rights created by the employee during the tenancy of such employment are deemed to belong to the company.

3 Moral rights of the author of copyrighted work

Another aspect often overlooked arises in a situation where a copyright is assigned to a third party in regard to, for example, a computer program, where the software was created by an employee of the company. Although the employer owns the copyright to the computer program, prior to it having been assigned to a third party, the author's (employee's) moral rights need to be taken into account. The employee may, in certain circumstances, prevent the third party from distorting, mutilating or modifying the computer program.

Solution:

An addition to the employee's employment agreement of a clause in which the employee, as author, waives all moral rights in and to the copyrighted materials.

4 Who may apply for a patent?

The Patents Act 57 of 1978 only makes provision for the inventor, or another person who has been assigned a right from the inventor, to apply for a patent.

Solution:

Should a company be dealing with a consultant or sub-contractor, a clause should be included in the consultancy agreement or sub-contract, requiring that the inventor of any patentable inventions consent to the transfer and assignment to the company of any patent for such inventions. In doing so, the agreement should

TYPES OF INTELLECTUAL PROPERTY RIGHTS



Copyrights

In the context of what businesses encounter most often, a copyright is an exclusive right granted to the creator of an original literary, musical or artistic work, or computer program.

A copyright generally lasts for around 50 years, and arises automatically, with no general requirement for registration.



Trade Marks

A trade mark is a sign that serves to distinguish a business' goods and/or services from those of other businesses.

Trade marks generally seek to protect a business, product or service name, slogan or logo.

In order to obtain the protection of the Trade Marks Act, a trade mark needs to be registered, after which it must be renewed every ten years.



Patents

A patent is an exclusive right granted for an invention or an inventive step pertaining to a product or process that provides a new way of doing something, or offers a new technical solution to a problem.

A patent must be registered, and normally lasts for 20 years, without the possibility of renewal.

specify, in as much detail as possible, the specifics of such inventions and identity of the inventors.

5 Disclosing a patentable invention to the public

In terms of the Patents Act 57 of 1978, as soon as a patentable invention is disclosed by an employee, for example, to the public (whether orally, in writing, or by using such invention) the invention will no longer be deemed patentable.

The above is on account of the requirement of a patentable invention to be new or novel. Any non-confidential disclosure of an invention destroys the potential patentability of the invention.

BE SMARTER
Construct agreements with staff and external parties to protect your IP.

Solution:

Inserting a clause, in addition to the more standard confidentiality and non-disclosure clauses into an employee's employment agreement, wherein the employee undertakes to regard all inventions of the company as confidential in nature and not to be disclosed.

These considerations are naturally not exhaustive, but should serve to raise awareness of the importance of the role of intellectual property assets in any business. The importance of consulting with a legal professional with specific expertise in IP cannot be overstated, since the failure to do so could have potentially disastrous implications for a business. **EM**