

CorporateLiveWire

INTELLECTUAL PROPERTY 2022

VIRTUAL ROUND TABLE

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Introduction & Contents

In this roundtable our chosen experts discuss the latest regulatory changes, noteworthy case studies and the latest trends impacting the way individuals and companies manage their intellectual property rights around the world. Other highlighted topics include the impact of COVID, new technologies such as artificial intelligence and machine learning, and best practice procedures for managing large IP portfolios. Featured countries include: Canada, China, Nigeria, Portugal, Republic of Ireland, South Africa, and the United Kingdom.



James Drakeford
Editor In Chief



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Meet The Experts



Connor Thorogood - Boulton Wade Tennant LLP
T: +44 (0) 20 7430 7500
E: cthorogood@boulton.com

Connor is a Chartered Trade Mark Attorney in the Trade Mark and Domain Names Group. He joined the firm in 2015 and assists on a wide range of UK and International Trade Mark cases. Between 2017 and 2020 he also acted for many clients before the European Union Intellectual Property Office [EUIPO].

The majority of his work involves advising clients on both contentious and non-contentious aspects of trade marks, from clearance searching, filing strategy and portfolio management to opposition and infringement matters.



Dina Biagio - Spoor & Fisher
T: +27 12 676 1112
E: d.biagio@spoor.com

Dina is a Patent Attorney with BSc (Physics), BSc (Elec Eng) and LLB degrees. She is an Attorney of the High Court of South Africa.

Qualified in 2002, Dina has two decades of experience, primarily in commercial transactions relating to intellectual property, including licensing, manufacturing, supply and distribution, technology transfer and collaboration agreements, transaction and investment structuring and related agreements, public-private transactions, ventures and collaborations, IP audits, due diligence and valuation.

She is also proficient in domestic and international patent and design matters, specifically patent specification drafting and the prosecution of patent applications.



Emmanuel Ekpenyong - Fred-young & Evans
T: +234 803 491 2096
E: emmanuel@fredyoungandevans.com

Emmanuel Ekpenyong was called to the Nigerian Bar in 2007 and established Fred-young & Evans LP, a full service commercial law firm and Fred-young Recoveries, an international debt collection firm in 2014.

Emmanuel has been engaged in prominent commercial litigations and international commercial arbitrations. He is experienced in corporate and intellectual property practice, bankruptcy and insolvency, enforcement of foreign judgments and awards, foreign investments and real estate.

Emmanuel is a Member of International Credit Exchange, ADVOC, IR Global and Chartered Institute of Arbitration, United Kingdom. He is a postgraduate student of International Business Law at the University of Liverpool.



Nisha Anand - Gilbert's LLP
T: +1 416 703 1100
E: nisha@gilbertslaw.ca

Ms. Anand has represented clients before the Ontario Superior Court and Federal Court of Canada in matters related to all aspects of intellectual property. Her practice focuses primarily on patent litigation in various industry sectors, including pharmaceuticals, telecommunications and oil and gas. Ms. Anand is a strategic, creative and fearless advocate who offers her clients comprehensive advice on Canadian and multi-jurisdictional litigation. In addition to patent litigation, Ms. Anand also advises clients on IP and litigation strategy, and pharmaceutical clients on regulatory matters with Health Canada.

Meet The Experts



Sonia Queiroz Vaz - Cuatrecasas
T: +351 213 553 812
E: sonia.queiroz.vaz@cuatrecasas.com

Sónia Queiróz Vaz is co-coordinating partner of the Cuatrecasas IP-TMT area in Portugal. Experienced in designing and negotiating IP rights related contracts in multiple fields and devising strategies to protect, enforce, value and optimize IP rights, she also specializes in software, technology, digital and audiovisual products in Portugal and abroad.

Advising clients on whether they comply with personal data and privacy protection obligations, she also maps how personal information is processed and defines strategies for complying with the GDPR. She represents Cuatrecasas at the International Chamber of Commerce (ICC) Commission on Intellectual Property in Portugal. She is recommended by the main legal directories (Chambers and Legal 500).



Tian-ying Zhao - IntellecPro
E: zhao.tianying@intellecpro.cn

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.



Sumi Nadarajah - FRKelly
T: +353 1231 4822
E: s.nadarajah@frkelly.com

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.



Patricia McGovern - DFMS Solicitors
T: +353 1 637 6614
E: pmcgovern@dfmsolicitors.ie

Patricia McGovern is the Chairman and Head of the Intellectual Property Department at DFMS Solicitors in Dublin, Ireland. She is a Solicitor, Irish Trade Mark Agent and a European Trade Mark and Design Attorney.

She has practised in almost all areas of intellectual property law and advises on both contentious and non-contentious matters involving trade marks, patents, copyrights and designs. She also advises on data protection, e-commerce and the internet, technology agreements, media contracts, advertising and sales promotions. Patricia is a current member and former Chairman of both the Business Law Committee and the IP Committee of the Law Society of Ireland. She was one of the three Government appointed members of the Copyright Review Group in Ireland which carried out an extensive review of copyright law and reported in 2013

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



Nisha Anand

Anand: In Canada, patented medicines are subject to price regulation by the Patented Medicines Prices Review Board (“PMPRB”). The PMPRB is a quasi-judicial body whose primary mandate is to protect Canadian consumers from excessive pricing of patented pharmaceutical products.

The PMPRB conducts price reviews according to a set of guidelines that are issued pursuant to the Canadian Patent Act (“Guidelines”). In 2019, the Canadian government proposed a series of amendments to the Guidelines for the first time in over 30 years. The proposed amendments were hugely controversial among Canadian pharmaceutical players and over the next few years, were the subject of several court challenges, including on the basis that the proposed amendments were unconstitutional. For example, certain proposed amendments were deemed unconstitutional because they constituted an attempt to regulate the entire pharmaceutical market rather than the price of patented medicines specifically.

In April 2022, the Canadian government announced that it would move forward with some amendments to the Guidelines, namely: a new basket of comparator countries (i.e., prices of the same pharmaceutical product in other countries) and reduced reporting requirements for products at the lowest risk of excessive pricing. The Canadian government elected not to move forward with the more controversial amendments that had been the subject of various court challenges.



Tian-ying Zhao

Zhao: Although it is disappointing rather than interesting, there is one recent development in China worth mentioning. Starting Q4-2021, the Trademark Office no longer approves trademark applications based on the Coexistence Agreement entered with or Letter of Consent (LOC) issued by the owner of the cited marks. The change came suddenly. No prior notice or explanation was given. One of my clients reached a trademark coexistence agreement with another party a few years ago. Since then, my client has successfully registered a dozen trademarks with the support of the LOCs issued by the other party. While we received a favourable review of refusal decision in September 2021, two negative decisions came in December. In the negative decisions, the Trademark Office stressed that one of the main purposes of the Trademark Law is to protect the interests of consumers. Given the applied mark is confusingly similar to the cited mark, the LOC issued by the owner of the cited mark should not be admitted. Presently, I have not heard of any change in the courts’ attitude towards Trademark Coexistence Agreement and LOC.

This new development means that, unless you are willing to spend the money to file an appeal before the court, trademark coexistence arrangement is no longer a viable option to overcoming the obstacle of a prior similar mark.



Sumi Nadarajah

Nadarajah: On 12 November 2021, the European Union (Copyright and Related Rights in the Digital Single Market) Regulations 2021 (the “DSM Regulations”) were signed into Irish law, also becoming effective on the same date. The DSM Directive should provide a framework for a more modern copyright legislation that will strengthen the rights and protections afforded to various categories of rights holders in the digital economy.

In addition, the Irish Court system underwent some changes in 2021 to enhance procedures for IP actions brought in this jurisdiction. The Commercial Court, available for accelerated hearing of significant commercial disputes, will now have a separate Intellectual Property and Technology List sub-division with a number of key new features. In addition, the Circuit Court Rules have been amended to extend its jurisdiction to a range of IP disputes. The Circuit Court’s jurisdiction is for claims up to €75,000.

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



Emmanuel Ekpenyong

Ekpenyong: In 2021, the Federal Government of Nigeria signed a Memorandum of Understanding (“MOU”) with UK-based Developing Africa Group (“the Group”). The MOU will allow the Group to use intellectual property rights to resolve challenges facing Nigeria and create jobs and trade services. It will also assist the Registry of Trademarks to effectively register trademark rights.

In April 2022, the Nigerian Senate passed a “Bill for an Act to Repeal the Copyright Act, CAP LFN 2004 And to Re-enact the Copyright Act, 2021”. The Bill covers copyright in audio, visual and audio-visual post on Facebook, Twitter, Instagram, TikTok and other social media platforms. The essence of the Bill is to strengthen Nigeria’s copyright regime in line with international best practices.

The Bill when signed into law will increase Nigeria’s competitiveness and creativity in the digital global world and economy. The Bill will also increase the powers of the Nigerian Copyright Commission towards effective enforcement of the new Copyright Act.



Sónia Queiróz Vaz

Queiróz Vaz: Portugal failed to implement the Directive (EU) 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market (the “Directive”) by the due date (7 June 2021). Only three Member States successfully implemented it on time.

Part of the delay was justified by the case pending on the Court of Justice of the European Union (CJEU), that opposed the Poland Republic to the European Parliament and to the EU Council (C-401/194), that was decided on 26 April 2022, ruling about the validity of article 17 of the Directive, which regulates use of protected content by online content-sharing service providers.

The European Commission had previously issued non-binding guidelines to help on the transposition of the article 17, namely by clarifying several unclear terms used in the Directive.

Now, with the ruling of the CJEU, in the mentioned case, it seems we have all the pieces of this puzzle available for the Portuguese legislator to review the law proposal (114/XIV/3^a) presented by the Portuguese government on 28 September 2021 and to have the Directive duly implemented in Portugal in due course.



Connor Thorogood

Thorogood: The most recent significant regulatory change to trade mark law has been the result of Brexit and its effect on UK and EU trade marks. Since 31 December 2020, EU trade marks no longer provide protection in the United Kingdom, with existing EU registrations at that date automatically cloned into UK registrations. Applicants of pending EU applications were given until 30 September 2021 to file in the UK, claiming a special priority of the original EU application filing date.

This has changed the trade mark landscape significantly. From an enforcement perspective, UK trade marks can no longer be used to oppose EU trade mark applications (and vice-versa). There is also an impact on proving use of UK and EU registrations, the full effects of which will be felt in a few years’ time. Moving forwards, businesses need to be aware that separate applications in both the UK and EU are needed to secure protection, and may face enforcement challenges.

Q2. Are there any compliance issues or potential pitfalls that firms need to be cautious about?



Tian-ying Zhao

Zhao: A common pitfall for foreign brands is to not register their trademarks when only manufacturing but not selling their products in China. Certainly, manufacturing for export does not result in circulation of their goods within the national border, and the commercial signs applied on the goods do not perform the function of identifying the sources of goods. In this sense, manufacturing for export does not constitute trademark use, thus by no means infringes anyone's trademark rights. However, we must bear in mind that Chinese customs not only block import, but also export of infringing goods.

Over the years, we have seen too many cases where Chinese pirates register the trademarks of foreign brands, and record the registrations before the customs to block the export of the legitimate right owners. Once shipments are seized by the customs, brand owners are required to prepare and file legalised documents to prove their rights in the country of designation and relationship with the Chinese exporter in order to have their goods released, which may delay the shipments for months. To solve the problem quickly, they often have no choice but to pay off the pirate.

One may worry that since the foreign entity does not sell any products in China, their trademark registrations will be cancelled for non-use. The good news is that, to protect its OEM sector, China admits evidence of manufacturing for export as effective proof of trademark use in non-use cancellation proceedings. Once your mark is challenged for non-use, you may submit evidence of manufacturing in and exporting from China to have your registration maintained by the Trademark Office.



Emmanuel Ekpenyong

Ekpenyong: Social media has aided the creation and exhibition of Intellectual Property ("IP") in Nigeria. It has provided IP creators with a wide pool of information, content and samples from which they can model their unique IP. Social media also presents owners of IP with a veritable market upon which they can showcase their IP and gain wide recognition and audience towards creating wealth from their IP. Indeed, social media is a huge blessing to IP globally.

However, social media also provides an easy way for IP to be used without the consent of their owners. It is even difficult to locate persons who tamper with IP of others on social media. It is therefore important for respective social media platforms to create regulated gateways for use of IPs on their platform.

Relevant laws should be amended to meet modern complexities and emerging trends in today's technologically advanced world to enable owners of IP to get their due remuneration for unauthorised use of their IP by persons in any part of the world.

Government agencies regulating IP registration and usage as well as those in charge of data protection must continually enact regulations and put in place mechanisms to protect IP and data rights in the ever-growing social media space.

"A COMMON PITFALL FOR FOREIGN BRANDS IS TO NOT REGISTER THEIR TRADEMARKS WHEN ONLY MANUFACTURING BUT NOT SELLING THEIR PRODUCTS IN CHINA."

- TIAN-YING ZHAO -

Q3. Have there been any recent noteworthy case studies or examples of new case law precedent?



Nisha Anand

Anand: Summary proceedings have enjoyed recent popularity amongst Canadian intellectual property litigants. Intellectual property cases used to take years or even decades to resolve. For rights holders, this meant that litigation was extremely expensive, and injunctive relief was too far off to be useful. In the past few years, the Canadian bench and bar have used summary proceedings to resolve key issues in cases quickly. Once the key issues are decided, any remaining issues are often settled between the parties or abandoned – at the very least, the summary proceedings will narrow the issues to be decided at a full trial. The availability of summary proceedings makes Canada an attractive jurisdiction for the enforcement of IP rights.

Nova Chemicals Corporation v Dow Chemicals Company 2017 FC 350, affirmed in 2020 FCA 141 is a recent, precedent-setting case related to the calculation of monetary remedies. In Canada, there are two monetary remedies that an intellectual property owner can pursue for infringement of their right(s) – namely, damages (compensation based on the owner’s loss) or an accounting for profits (compensation based on the infringer’s profits from infringing). In *Nova Chemicals*, the Federal Court departed from established law related to the calculation of an accounting for profits that resulted in the largest monetary award for patent infringement in Canadian history. The decision was appealed to the Supreme Court of Canada and is currently under reserve.

In *Janssen Inc. v Sandoz Canada Inc.*, [2021] F.C.J. No. 2139, the Court decided the scope of patent agent privilege, which is a relatively new concept in Canada. Patent agent privilege is narrower than solicitor-client privilege and is limited to client communications seeking or giving advice with respect to any matter that relates to the protection of an invention. Canadian courts have not yet considered whether it extends to opinion about patent infringement or validity.



Dina Biagio

Biagio: (a) Patents:

There have been no recent examples of new case law precedent. However, a recent noteworthy case is *Bayer Intellectual Property GmbH and two others v Dr Reddy’s Laboratories (Pty) Ltd* [2021] ZACCP 3 (15 December 2021) in which the Court confirmed the use of the Swiss-type claim format for second (and subsequent) medical use.

(b) Trade Marks:

In *Dart Industries Inc & Tupperware Southern Africa (Pty) Ltd v Botle Buhle Brands (Pty) Ltd* (59025/19) [2020] ZAGPPHC (15 October 2020) (“the Tupperware case”), certain bottles sold by Botle Buhle Brands were the subject of a trade mark infringement application brought by Dart Industries Inc & Tupperware Southern Africa. In this case, it was held that the Tupperware bottle which was registered as a trade mark in this instance was not inherently capable of distinguishing from other bottles nor did these Tupperware bottles become distinguishable through use.

The effect of this case is that trade mark applicants must be very careful when filing container trade marks. The court in the Tupperware case held that the shape of a container trade mark must significantly depart from the norm in that industry in order to be registrable and enforceable.

Q3. Have there been any recent noteworthy case studies or examples of new case law precedent?



Sumi Nadarajah

Nadarajah: There have been two notable cases:

(i) *Gilead Sciences Inc & Gilead Biopharmaceuticals Ireland UC v Mylan SAS Generics (UK) Ltd & Anor* [2021] IECA 22

This case concerned the validity of an SPC for Truvada, a combination therapy used to treat HIV. SPCs provide an additional period of patent protection (to a maximum of five years) for a medicinal product, to compensate for the time that may be required to obtain permission to market a regulated product. The Irish High Court had ruled that the underlying patent is relevant to not just HIV but to a number of important viruses and worked against Hepatitis B. The High Court did not accept Gilead Sciences' claim that HIV is the principal or most important focus of the patent, and as such the subsequent SPC was revoked. The Court of Appeal has upheld this decision.

(ii) *Ardagh Metal Beverage Holdings v EUIPO - Case T-668/19*

The Second Board of Appeal of the EUIPO held that the sound of a drinks can being opened, followed by a momentary silence and then a fizzing sound, cannot be registered as an EUTM due to lack of distinctiveness. This was upheld by the General Court. The Court held that sound marks must have a certain resonance, enabling the relevant consumer to perceive it as a trademark. The average consumer needs to be able to deduce the commercial origin of a product through the mere perception of the sound, without it being combined with other elements such as words or images. This decision is in keeping with the position adopted by the EUIPO over the years where "non-traditional" Marks are still relatively difficult to register.



Emmanuel Ekpenyong

Ekpenyong: On 10 March 2022, the Federal High Court sitting in Abuja in Suit No. FHC/ABJ/CS/791/2020; *Fan Milk International A/S v Mandarin Oriental Services BV and the Registrar of Trademarks* and Suit No. FHC/ABJ/CS/792/2020; *Fan Milk International A/S v Mandarin Oriental Services BV and the Registrar of Trademarks* delivered a landmark judgment on registration of a trademark which is identical to an existing mark likely to deceive or cause confusion with a registered mark.

The Court held that the "FanMilk" mark written under the blades of the Appellant's trademark is different from the First Respondent's "FAN & Device" and is not likely to deceive or cause confusion with the Appellant's mark. Moreover, the Appellant's mark is registered in a different class from the classes in which the First Respondent intends to register its mark. The Court held that the First Respondent's mark could have been rejected if it was identical or resembles the Appellant's mark registered in the same class with that of the First Respondent.

The implication of this decision is that in determining whether a proposed mark is identical to an existing one or not, the question to be determined is whether a person who sees the proposed mark in the absence of the existing mark will be deceived into believing that the proposed mark is the same as the existing mark.

Q3. Have there been any recent noteworthy case studies or examples of new case law precedent?



Sónia Queiróz Vaz

Queiróz Vaz: Bearing in mind the importance and impact of artificial intelligence (“AI”) and of the works created by AI, we are facing a controversial topic: should works created by AI be copyright-protected – like “The Next Rembrandt” picture created by 3D print impression technology, developed by an algorithm that analysed and processed dozens of paintings by the famous Dutch Golden Age painter, in a process that took more than 18 months to be completed?

We had a recent decision from the U.S. Copyright Office which emphasised that, to be copyright-protected, the work must be created by the human intellect and if this intellectual human effort is not duly evidenced, the relevant work should not be protected by copyright.

Whether we agree or not, when facing applications for copyright and patents created by AI, the decisions, so far, have been very similar: considering the legal framework sets forth that the intellectual creation should be “bonded” to a human being, only the works created by human beings may be copyright protected and those created by AI should be left in the public domain.

If we consider that we have the cultural ambience (and several other) more and more populated with works created by AI everyday (just consider, as an example, Google DeepMind A.I. music compositions or “The First Thinking Sculpture”, inspired by Gaudi and created by Watson) we have serious doubts that this tendency may continue, especially if we accept that even works created by AI have a human background, for example, in the selection of data and data bases that orientated the final result.



Connor Thorogood

Thorogood: From a trade mark perspective, the most recent decision that could have a significant long term impact on businesses moving forwards is the General Court’s decision in *Hasbro, Inc. v the EUIPO (Monopoly)*.

This case centred on the question of whether repeat trade mark filings for the same mark for the same goods and services, with the aim of avoiding having to ever prove genuine use of marks that have been registered for more than five years (a process known as evergreening), constituted bad faith and could therefore be a valid ground on which to invalidate a registration.

The General Court held that this practice can constitute bad faith, although there is a presumption of good faith. If this is contested by an applicant for invalidity, the trade mark owner would then be required to offer plausible explanations as to why the re-filing was required.

If this decision is not successfully appealed at the ECJ, it has a significant impact on filing strategies for business moving forward as it means that re-filing the same trade mark for the same goods/services could very well be seen as a filing made in bad faith. This puts far more emphasis on the “use it or lose it” approach to trade mark registrations, which can be cancelled for non-use once they are more than five years old.

Businesses therefore need to ensure that they are keeping evidence banks of their trade mark use and regularly updating them so that, if they wish to assert an older registration in opposition or infringement proceedings, or if their registration is attacked for non-use, they have the evidence needed to prove genuine use.

Q4. How has COVID-19 impacted the intellectual property landscape?



Nisha Anand

Anand: In Canada, intellectual property litigation takes place primarily in the Federal Courts. Before COVID-19, the Federal Courts process was mostly restricted to paper filing and in-person hearings. The pandemic brought a wave of modern advances to the Federal Court including the electronic filing of documents, completely electronic trials and interlocutory proceedings, and remote hearings (including trials).

While these were measures taken to accommodate litigants during the pandemic, the Federal Courts now have these systems in place and the Canadian intellectual property bench and bar have been forced to learn and embrace the technology.

What does this mean for the intellectual property landscape in Canada? In most (if not all) cases, it means better access to justice. Intellectual property litigation is notoriously expensive and intellectual property rights holders often do not have the resources to enforce their rights. It may not completely tip the balance, but it is certainly a step in the right direction. It will be a few years before we fully understand the practical impact of these “pandemic” measures but it’s difficult to believe that modernising the court system could be anything but positive.

Canada also put in place expedited approval of COVID-19 products, including amendments to the Food and Drug Regulations, was essential for access to life-saving vaccinations. It would have taken years to get approval for these products previously. While the public health rationale for these measures is irrefutably sound, the availability of expedited processes has led to questions about prioritising certain products over others in the patenting process.

Generally, the types of patent applications being filed have shifted over the past three years. Canada is seeing more patent filings for pandemic- and outbreak-related technologies, and in the areas of therapeutics and vaccine development.



Dina Biagio

Biagio: Our patent legislation provides opportunity for acquisition or use of a patent by the South African government in certain circumstances. However, the South African government has never made use of these provisions. The State has also not legislated any emergency laws, nor amended any existing laws. The status quo therefore remains, and proprietors of intellectual property are advised to continue seeking IP protection and enforcement thereof.

From a trade mark prosecution perspective, from filing to renewal, most processes are now online and automated. However, where the trade marks office must manually examine applications, consider representations, issue acceptance notices and issue registration certificates, there are very long delays which have been exacerbated by the fact that employees of the trade marks office have been working remotely since March 2020.

COVID-19 has had a huge impact on the enforcement against counterfeit goods. Due to the international travel restrictions, importation has become more challenging, and many counterfeiters have started opting for local manufacture. There has accordingly been a sharp increase in anti-counterfeiting enforcement at local manufacturing facilities.

Q4. How has COVID-19 impacted the intellectual property landscape?



Dina Biagio

Alternative smuggling routes have also been used by counterfeiters due to the main airports and harbours not being operational during periods of lockdown. We have seen the continued use of these routes even though the main ports have opened again. This is mainly due to the limited activity of law enforcement agencies at the land borders.

Online and social media sales of counterfeit goods saw a significant increase, with increased numbers of take down notices being reported to various platforms.



Sumi Nadarajah

Nadarajah: The COVID-19 pandemic measures taken by public authorities to control it are slowly being lifted worldwide. Brands continue to adapt to new ways of doing business, with the more traditional “brick and mortar” businesses having to immerse themselves into the online world to maintain revenue streams. This has created both opportunity and risk from an IP perspective, particularly as brands look for ways to gain a commercial advantage over competitors.

In addition, IP protection for COVID-19 vaccines and therapies have, in some instances, resulted in the inhibition of their development or availability – although IP protection is undeniably vital to the development of innovative treatments, tests, vaccines and other technology. In March 2022, details of a draft compromise agreement between the EU, South Africa, India and the United States were reported. This will provide a waiver on vaccines only, for three years. The right to manufacture will be restricted to countries that exported less than 10% of the world’s COVID-19 vaccine doses during 2021. China is therefore ineligible. Responses have been mixed, with criticisms that the proposal undermines IP rights or should be expanded to include COVID-19 tests and treatments.



Emmanuel Ekpenyong

Ekpenyong: In line with COVID-19 protocols for lesser contact between persons at a particular place and time, the online registration portal of the Trademark, Patents and Designs Registry (“Registry”) in Nigeria has seen more traffic in recent times. Many IP owners have abandoned the manual procedure of registering their IP in favour of the online procedure. This has led to greater efficiency of the Registry and timeous registration of IPs.

Again, there has been an increase in innovation of products to tackle the health challenges created by the pandemic. For instance, Usman Dalhatu, a 200-level student of Mechanical Engineering at the Ahmadu Bello University, Zaria produced a machine called “Extra-clean” which is a manual ventilator to be used to treat coronavirus patients. The Nigerian Airforce commenced production of personal protective equipment to supply oxygen from its oxygen plant.

More drugs and pharmaceutical products are being manufactured to tackle challenges created by COVID-19. There is also renewed interest to rely on root and herbs to produce alternative traditional medicine to combat the pandemic and illnesses associated with the virus. All these new products are technological innovations with huge potentials to generate wealth for Nigeria’s IP industry.

Q4. How has COVID-19 impacted the intellectual property landscape?



Sónia Queiróz Vaz

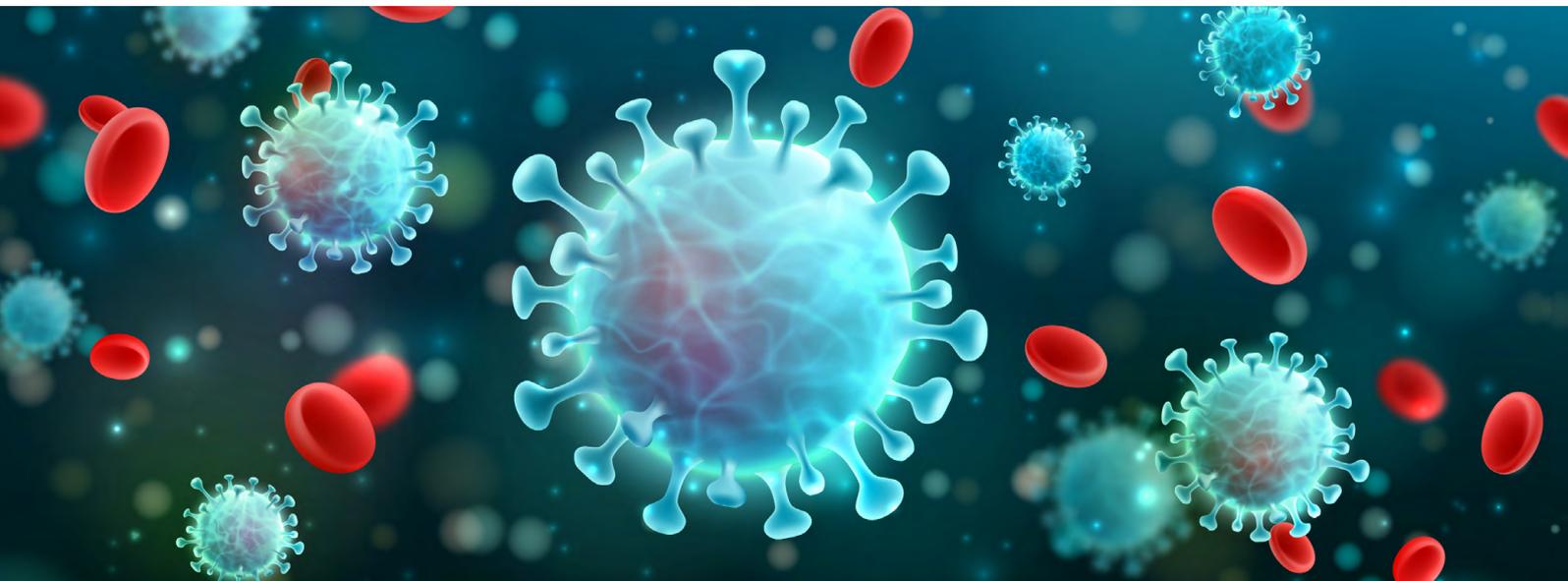
Queiróz Vaz: COVID-19 accelerated the implementation of technology in so many fields like communication, entertainment, in the way we sell goods and provide services and the players had to focus – among several other things, of course – on the protection of their IP rights and know-how and in the legal use of other parties' rights. As an example, we experienced the increase in the use of technology to provide health and training services online, assisted to the launch and increase in the use of streaming and video-on-demand offers, to the growth of marketplaces and of the offers of business-to-business and business-to-consumers solutions. Sometimes, digital and technological answers to specific needs were provided on an extremely urgent basis and the solutions were created first and all the precautions that should surround the IP creative process were handled afterwards, sometime with serious inconveniences for the relevant players.

At the same time, in 2020, we assisted in decreasing the number of applications regarding patents for example, mostly because the players on a worldwide basis were trying to reduce costs, considering the uncertainty of the economic impacts of COVID-19 on a global scale.

However, the recent exponential increase in requests for protection gives Portugal a record in patent applications. Very encouraging statistical data have been recently released on the importance of these rights in the current scenario, on a global scale, demonstrating a growing investment in terms of innovation, entrepreneurship, research and development, in different sectors of activity and, at the same time, a greater awareness of the importance of protecting creations.

In 2021, for example, patent applications from Portugal to the European Patent Office (EPO) grew by 13.9%, being advanced as the strongest growth in Europe, among the countries with more than 200 patent applications and more than five times the EU average rate of 2.7%. Five of the 10 largest Portuguese patent applicants are universities or research institutes, such as the University of Minho, Porto, the Polytechnic of Leiria, the University of Aveiro, with the Portuguese start-up Feedzai advanced as the entity that led this ranking, with the most of 17 patent applications.

Applications originating in Portugal reveal that patent applications made in 2021 in technology tripled, including those referring to innovation in healthcare and in the transport sector grew by 114%. The European Patent Office even dared to disclose that, after 2020 marked the decrease in the number of patent applications, 2021 turned out to be a record year for these applications, with 188,600 applications from all over the world, which reflects an increase of 4.5% compared to 2020.



Q5. Opportunities and challenges surrounding many new technologies – such as artificial intelligence and machine learning – were unforeseen at the time many regulations were enacted. To what extent does this create ‘grey areas’ and what can clients do to best protect themselves?



Sumi Nadarajah

Nadarajah: The Internet of Things, robotics, blockchain, 3D printing and Artificial Intelligence (AI) are all emerging technologies driving the ‘Fourth Industrial Revolution’. Growth in computing power, availability of data, and progress in algorithms have turned AI into one of the most strategic technologies of the 21st century. As technology advances, so too does the ability to use AI tools in previously unachievable ways. This has led to a recent uptrend in AI deployment by companies ranging from start-ups to long-established institutions. These companies, investors, and entrepreneurs should be aware of key intellectual property considerations as applied to AI innovation. In 2019, the WIPO Technology Trends Report stated that nearly 340,000 AI-related patent applications have been filed since the emergence of AI in the 1950s.

As best practice, companies and research institutions should clearly define and protect their IP with registrations and documentation, especially when working with multiple third parties. A company may then better control use of its IP rights, including permitted use under licensing and collaborative arrangements. In the AI context, the legislative protection has not yet advanced as quickly as the technology, which makes early and on-going IP portfolio management of particular importance.

Copyright is a particularly important IP asset for AI, as it protects the technology product (code and data) from unauthorised use and reproduction. Ownership and confidentiality of the copyright should clearly be defined in a written agreement. Companies may also benefit from placing digital locks on their products and services for security. Circumvention of digital locks is an offence in some jurisdictions and may provide relief against unauthorised parties.

Companies should also be aware of other publications and litigations, as competitors and other players may have their own patents or pending applications. A company making, using or selling AI tools should also consider its freedom to operate to avoid encroaching on existing patents covering AI innovation. Given the quickly evolving AI market, obtaining early priority dates is important in view of the ‘first to file’ nature of the patent system.

IP regulatory bodies such as the World Intellectual Property Organisation (WIPO), the U.S. Patent and Trade Marks Office (USPTO), and the UK Intellectual Property Office (UKIPO) continue to run public consultations to bring together the relevant stakeholders to discuss the impact of AI on IP. One of the principal goals of the conversation is to help to bridge the existing information gap between AI players and regulators and to build broad awareness of the issues in this fast-moving and complex field. It is clear from numerous public consultations that the themes of AI and its interface with IP are really focusing the minds of policymakers, legislators and lawyers across the world.



Emmanuel Ekpenyong

Ekpenyong: Reduction of manual procedure has resulted in organisations struggling to deal with a high volume of online business. In order to cope with the trend, automation and mass digitalisation has been incorporated into the operating procedure of many organisations. This has led to growing demand for IT specialists and programmers. Service providers now rely, one way or the other, on 5G and cloud services to meet high expectations in today’s market.

Q5. Opportunities and challenges surrounding many new technologies – such as artificial intelligence and machine learning – were unforeseen at the time many regulations were enacted. To what extent does this create ‘grey areas’ and what can clients do to best protect themselves?



Emmanuel Ekpenyong

Businesses depend more than ever before on social media platforms to grow their businesses. This is why there was great uproar across the world when Facebook and Instagram crashed for a few hours in October 2021. The 2020 Federal Government of Nigeria’s ban on Twitter as a result of its effects in the End Sars Protests opened the eyes of Nigerians to the effect of Twitter in the global world and its contribution to the economy of Nigeria.

In order to grapple with the exigency of modern times, there is greater awareness on the benefits of blockchain which allows for information and digital transaction in real time to be securely recorded. Blockchain is useful because it is public, secured and one of the most accurate methods of keeping records. It has verification technology built into its design to enable it to easily detect fraud.



Patricia McGovern

McGovern: Technology affects IP in many ways. It affects how we manage IP by giving us access to additional tools such as AI assisted searching. Rights holders can also exploit technology in their everyday business (e.g. by doing business online or by utilising 3D printing to enhance manufacturing techniques). The downside however is that technology also gives increased opportunities to infringers and online infringement can give rise to jurisdictional issues in enforcement.



Sónia Queiróz Vaz

Queiróz Vaz: Technology is increasingly a driving force in society, touching every aspect of our lives, in one way or another. Along with innovation, they are drivers of change. And innovative and creative ecosystems play a key role, but also face many challenges: either they adapt or they fall by the wayside. Realities such as the metaverse, artificial intelligence, NFTs, among many others, are champions in terms of IP challenges and opportunities.

It is commonly asserted that technology is faster than the law but, from an IP standpoint and even though “grey areas” may exist, the truth is that awareness of the strategic importance of IP, not always present in the pre-creation phase of new technologies, in which pre-diagnosis is vital, is a factor that clearly facilitates success, innovation and excellence. It is essential to make a strategic commitment to protect creations and inventions since the very beginning, map them and optimize them, to control, value and protect the IP portfolio.

Governments and regulators have been launching measures that encourage clients (and players in general) to implement a robust IP strategy and best protect themselves.

For example, the initiative to launch applications for the New European Fund to support SMEs, launched on January 10, 2022, encourages the protection of intellectual property rights as a way of making companies’ businesses “take off” and is a proof that intellectual property has a relevant place in current agendas.

More recently, the proposed law on the Portuguese State budget for 2022, on the “Patent Box” regime, provides for the tax benefit of deducting from taxable income revenues from contracts that have as their object the assignment or temporary use of intellectual property of 85% (currently 50%), in a clear strategy

Q5. Opportunities and challenges surrounding many new technologies – such as artificial intelligence and machine learning – were unforeseen at the time many regulations were enacted. To what extent does this create ‘grey areas’ and what can clients do to best protect themselves?



Sónia Queiróz Vaz

of encouraging the creation, licensing, exploitation and transmission of creations and innovation (patents and copyright on software). This tax relief provides a strong incentive to the establishment of investments that promote research and development in Portugal, and is also a regime already widespread in Europe. In fact, according to public data, 14 of the 27 EU member states already have a “Patent Box” regime in place (e.g. France, Hungary, Belgium, Cyprus, Spain, Italy, Luxembourg, Malta, the Netherlands, Poland, among others), with non-European countries such as Andorra and Switzerland also implementing the regime. But if the proposal is approved, this applicable tax regime may become one of the most competitive in Europe, given the intention to exempt 85% of royalties and income resulting from the exploitation of intellectual property, including the sale of software.



Connor Thorogood

Thorogood: New technologies can indeed cause issues for clients. For example, a business may have entered into a co-existence agreement with another party that was sufficient for the technology at the time. However, when a party wants to expand into an area of new technology which was not covered by the agreement, this can create a grey area and the potential for further conflict between the parties.

The relatively recent rise of cryptocurrency and Non-Fungible Tokens (NFTs) has also highlighted the potential for new technologies to cause issues and grey areas for clients. To best protect themselves, clients should consider:

- When entering into co-existence agreements, consider including a catch-all clause regarding new technologies not envisaged or covered by the current agreement. This may include an agreement that the parties will discuss potential issues as they arise in good faith and try to find an amicable solution.
- When a new business opportunity arises, such as NFTs, review existing trade mark protection to see whether existing specifications of goods and services cover any activities the business take in relation to the creation and/or sale of NFTs.



Q6. Can you talk us through the complexities surrounding data ownership relating to new technologies and connected devices?



Emmanuel Ekpenyong

Ekpenyong: New technologies have, to a large extent, changed the way people and organisations interact. It has led to legal ambiguities which have given rise to legal problems never before seen. Technologies such as artificial intelligence, cloud computing, sensors, cryptography and robots are wonderful developments with novel challenges of their own.

For instance, wearable technology has characteristics which help in understanding a condition in its essence. Data which are generated by wearable devices are uploaded at different frequencies for the use of stakeholders such as sensor manufacturers, application firms, software companies and data analytics companies. The collecting, transferring, analysing and storing of data give rise to new challenges.

In recent times, data ownership rights have been a hot topic as customers are becoming more aware of their data ownership rights and businesses are by law compelled to protect customers' data right. Interestingly, there has been an increase in data related literature, regulations and proceedings.

The Nigeria Data Protection Regulation (NDPR) 2019, Section 37 of the Constitution Federal Republic of Nigeria, 1999 (as amended) Nigerian Communication Commission's Consumer Code of Practice Regulation, 2007, Nigerian Communication Commission's Registration of Telephone Subscribers Regulation, 2011, the Freedom of Information Act, 2011, the Cybercrimes (Prohibition, Prevention, etc.) Act, 2015, the Consumer Protection Framework, 2016, the National Identity Management Commission (NIMC) Act 2007, the National Health Act, 2014 and the Federal Competition and Consumer Protection Act, 2019 are some of the legislations in Nigeria to protect data ownership rights in light of complexities arising from new technologies and connected devices.



Patricia McGovern

McGovern: Even the smallest portfolio can give rise to complexities. It is therefore important for a rights owner to have in place protection and enforcement policies and a plan as to how to leverage most benefits from its IP. IP is an asset which can be used in business, but it can also generate income (e.g. by way of licensing or it can be combined or used with other IP such as in cross licensing arrangements or joint ventures).

Managing IP can involve liaising with a myriad of people both internally and externally. Decisions have to be made as to how much a business wants to handle in-house and how much it wants to outsource to external providers.

"IN RECENT TIMES, DATA OWNERSHIP RIGHTS HAVE BEEN A HOT TOPIC AS CUSTOMERS ARE BECOMING MORE AWARE OF THEIR DATA OWNERSHIP RIGHTS AND BUSINESSES ARE BY LAW COMPELLED TO PROTECT CUSTOMERS' DATA RIGHT."

- EMMANUEL EKPENYONG -

Q7. Are there any notable differences in the way domestic and foreign clients approach their IP strategy within your jurisdiction?



Dina Biagio

Biagio: In relation to trade mark matters, we have not noticed any noticeable differences in the way foreign clients approach their IP strategy within our jurisdiction. Locally though, from a trade mark filing perspective, we have noticed an increase in small business owners who are now interested in protecting their trade marks. We believe that this growing interest correlates to an increase in the general interest in South Africa to start small businesses. This may be as a result of the pandemic's effect on the economy.

For patents, we have not noticed any such differences, except for an increase in requests for quotations prior to any work being undertaken and increased cost sensitivity.



Emmanuel Ekpenyong

Ekpenyong: The Nigerian IP industry is dominated by foreign clients. A review of published trademark journals for instance, shows that almost 90% of published marks are for foreign clients. Foreign companies who produce goods and services for Nigerian market ensure that their products are first registered in the relevant class at the Registry before the products enter the Nigerian market.

Again, registration of IPs with foreign priority in Nigeria is mostly carried out by foreign clients. Nigerian case laws are mostly on registration or rejection of foreign IPs. All these point to the fact that the IP industries in foreign jurisdictions where the IPs come from into the Nigerian market are fully developed.

In spite of the increased awareness of the benefits of IP in Nigeria, a large number of individuals do not register their intellectual property to enable them to exclusively enjoy their rights over their IP. Many individuals are still not convinced that IP possesses tremendous wealth which they can enjoy throughout their lifetime and even bequest the same to their heirs (like physical property).

In some instances, wealth from IP is perceived to be too meagre for scarce resources to be spent to protect it. This is why most IPs registered in Nigeria are by blue chip firms, multinational companies and investors intending to enter the Nigerian market. I believe the Nigerian IP market will grow more if individual owners register their IP the same way corporate entities and foreign clients do.

Q8. What measures are in place to prevent counterfeit products entering the market?



Dina Biagio

Biagio: Customs officials are authorised by legislation to detain any suspected counterfeit goods that are imported into South Africa. The enforcement of counterfeit goods occurs at all of the South African ports of entry, including harbours, airports and land borders.

Q8. What measures are in place to prevent counterfeit products entering the market?



Tian-ying Zhao

Zhao: A number of measures are in place in China for brand owners to combat counterfeiting, including administrative enforcement, criminal prosecution, civil enforcement, online takedowns (ISP liability), etc. I will talk about administrative enforcement here.

While customs is responsible to block inbound and outbound flow of counterfeits at the border, some other government authorities are empowered to enforce IP rights within the national border, for example, Market Regulation Bureau (MRA) handling trademark infringement cases and Cultural and Tourism Bureaus (may operate under different names in different locations) handling copyright infringements. These government bodies have the power to confiscate and destroy counterfeits, and impose a fine that is up to five times the value of the illegal turnover.

If the scale of the infringement reaches the criminal threshold, the case will be transferred to the police to open a criminal investigation. The advantage of administrative enforcement is that it costs less time and money. All it takes for the IPR owner is to file a written complaint along with proof of rights and some basic evidence of infringement. The government bodies usually act quickly. A drawback of the measure is that the fine imposed against the infringers is often not high enough to deter counterfeiters. Also, IPR owners cannot collect any compensation through this mechanism. Yet, there is always the option for IPR owners to lodge civil suits against counterfeiters based on the penalty decisions rendered by government authorities.



Sumi Nadarajah

Nadarajah: According to the EUIPO, 13% of Irish consumers said they were misled into buying a counterfeit product in 2021. That is above the nine per cent EU average. In addition to the health and safety risks, counterfeits often lead to security breaches and financial losses.

In Ireland, the Revenue Customs Service and An Garda Síochána are both tasked with ensuring the effective enforcement of the legal framework protecting rights holders' intellectual property. Revenue Customs focus on the points of importation into the country and An Garda Síochána focuses on the investigation of the importation and sale of counterfeit goods. The enforcement agencies continue their efforts to combat illicit trade, targeting counterfeit goods at the point of importation. Reflecting the growth of internet purchasing in this market, the bulk of the seizures made were of items arriving into the country by post. Steps are now being taken by major e-commerce sites to combat counterfeiting. It is reported that Alibaba took down 114 million websites in a period of only 10 months.

The European Union (Trade Mark) Regulations 2018 (the "Regulations") came into force in January 2019 and now allows brand owners to enforce their rights once they can demonstrate to a court that there is a risk that their trade mark is being used for ancillary or preparatory infringing acts, such as being affixed on packaging, labels or tags for counterfeit or infringing goods. For example, they can seek an order to prevent the placing on the market or importing or exporting of such infringing items. In addition, trade mark owners have improved rights to stop counterfeit goods transiting through Ireland which was previously not allowed. Under the Regulations, trade mark owners are entitled to prevent goods (and their packaging) that infringe their trade marks from being imported into Ireland from outside the EU. It is then up to the importer to prove that the trade mark owner is not entitled to prohibit the placing of the goods on the market in the country of final destination. The Regulations sit alongside existing laws that give Revenue the power to seize and destroy small consignments of counterfeit goods sent by post.

Q8. What measures are in place to prevent counterfeit products entering the market?



Emmanuel Ekpenyong

Ekpenyong: The Nigerian Customs is mandated to collect duties on import and export of goods and prevent contraband goods entering the country or contraband goods from being exported to other countries. The Customs ensure that all items in the Absolute Prohibition List are prevented from entering the Nigerian market.

Nevertheless, Customs are yet to achieve an effective system to completely prevent counterfeit products from entering the Nigerian market. In the same vein the Standards Organisation of Nigeria and the Federal Competition and Consumer Protection Act, 2019 have not been able to completely eradicate counterfeit products manufactured in Nigeria from entering the Nigerian market.

Since Nigeria has no specific anti-counterfeiting law, the fight against counterfeit involves the creative application of the various IP laws in Nigeria. The Consumer Protection Council (CPC) Act, the Economic and Financial Crime Commission (EFCC) Act, 2004, the National Agency for Food and Drugs Administration And Control (NAFDAC) Act, Standards Organisation of Nigeria (SON) Act, Counterfeit and Fake Drugs and Unwholesome Processed Foods (Miscellaneous Provisions) Act, Trademarks Act and other relevant laws are applied to prevent counterfeit, prosecute offenders and secure compensation for persons whose products have been counterfeited.



Connor Thorogood

Thorogood: In the UK, it is possible to put a customs watch in place for your products. Customs may then seize infringing products and ask whether they should be destroyed or released depending on whether they are counterfeit or not.

Another option for dealing with counterfeit products is to conduct online brand monitoring, in particular of marketplaces. If counterfeit products are being sold and/or trade marks are being used without authorisation, an online brand monitoring service can be used to identify these and initiate take downs via the platforms. Regularly conducting this activity can act a deterrent to potential infringers. For more serious or repeat cases, stronger action could then be taken in the form of cease and desist letters and infringement actions.

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



Sumi Nadarajah

Nadarajah: (i) Recognising IP as assets: Today's IP owners tend to look at their IP portfolio as assets and not merely inventory, which would have traditionally been the case. It is said that 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).

(ii) Timelines: Each IP application has numerous deadlines during its lifecycle. The process and deadlines vary from country to country and differences exist in procedural laws and rules involved in the process of protection and management. Consequently, understanding the different laws and associated timelines and requirements are very important as failure to do so could result in IP rights being lost.

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



Sumi Nadarajah

(iii) Co-ordination: 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. Additionally, interacting with different foreign IP offices can become challenging due to language and time barriers, which can often add to the difficulties faced.

(iv) Reliable Network of Advisors: One of the key requirements for the effective management of a global IP portfolio is to have a network of reliable, knowledgeable and efficient associates in jurisdictions around the world that share the goals and values of the portfolio manager. This is particularly the case as IP prosecution and enforcement is extremely different in different countries, and it is unrealistic to expect the portfolio manager to be completely au fait with these different regulations. As such, a good portfolio manager requires a reliable network to efficiently manage the IP assets in its care.

(v) Docketing system: Portfolio managers will vehemently agree that docketing is paramount. The importance of well-maintained dockets can never be underestimated. If the docketing is not done timely or accurately, this may result in the loss of a patent or trademark. Hence, a systematic and well defined docketing process and investing in reliable portfolio management tools are of utmost importance.



Emmanuel Ekpenyong

Ekpenyong: In order to manage large IP portfolios, owners must ensure that IP under different international treaties are filed within the stipulated time line in the respective jurisdiction. In order to coordinate the filing process, IP practitioners should be retained across the different jurisdictions to file the IP and ensure that it is renewed when due.

IP practitioners in the different jurisdictions should ensure that they accurately translate IP documents from a foreign language to the native language within the jurisdiction of registration. Accredited agents in the respective jurisdiction should take steps for the IP to be filed within their jurisdiction and ensure that they send accurate progress reports to the IP owners. The IP registries in different jurisdictions should endeavour to file the IP from other jurisdictions timeously.



Patricia McGovern

McGovern: It is very important that you have a proper IP management system in place and competent people to manage it. This should ensure that any relevant deadlines (e.g., renewal deadlines and opposition deadlines) are recorded with suitable reminders.

Following on from that, the actual portfolio needs to be reviewed constantly to ensure that it is adequate. For example, have there been improvements to any inventions such that further patent protection should be sought? Are all trade marks being used in the form in which they are registered or do new filings need to be considered? Has your product line expanded such that you need to re-file to obtain protection for other goods and services? Have you kept adequate records of any coexistence agreements that you may have entered into or any licences of your IP that you may have granted? Do you own rights which are surplus to your requirements that perhaps could be income generating if you licensed them or assigned them?

Following Brexit, it is also important to ensure that you are adequately protected in the UK. For instance, EU trade mark and design rights will no longer extend to the UK.

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



Sónia Queiróz Vaz

Queiróz Vaz: To have a “safe journey” in the IP world it is crucial to have a strategic commitment to protect creations and inventions since the very beginning, when we start working on them.

We need to map our IP and optimise it to be able to control, value and protect portfolios. I usually propose four best practise procedures or steps to my clients to prevent incidents, defend their IP, bring added value to their companies, and attract inventors:

- Choose where you want to go: your creations and inventions are a great value patrimony that may take you far. You should prepare a strategy.
- Select the best company: You should make a pre-diagnosis and diagnosis of your creations and innovations and enter into agreements to settle the relations with all the intervenient in the creative process – employees, services providers. Make sure that everything is handled as strictly confidential.
- Prepare your “luggage”: Identify the rights you should apply for registration and those that are not registered (or are not required to register). Monitor them and keep them effective. Look into your intangible and immaterial assets portfolio in a strategic way and “pack them” well.
- Enjoy your stay: Optimise and value the IP assets that are in use. Consider granting adequate licenses or transfer those that you are not using. Avoid non-authorized uses. Defend your IP. Value your company and attract inventors.



Connor Thorogood

Thorogood: Managing a large IP portfolio brings with it a number of challenges, such as ensuring the data is always accurate and up to date, and balancing IP protection needs with the budget a business has allocated to it. From a trade mark perspective there are various procedures that can be put in place to allow for the most value and best protection to be obtained from the budget available. These include:

- At the start of a financial year, review the IP that is due to be renewed. Some may no longer be needed, and making early decisions as to what IP should be retained and what should be allowed to lapse can result in cost savings. These savings can then be allocated to protecting and enforcing new and existing IP that is more relevant to the current business needs.
- Ensure that schedules of existing IP are maintained, at least on an annual basis. This allows for better decision making when considering obtaining new protection. Linked to this, put internal procedures in place for the creation of new IP to ensure the process is streamlined and cost efficient.
- From an enforcement perspective, most businesses should consider putting IP watching services in place. For example, a trade mark watching service will monitor registers for third party applications that are identical or similar to the marks being watched, allowing for action to be taken as needed. Other services, such as online brand monitoring to watch for infringing products, are also advisable.
- Hold regular review meetings to discuss on-going matters and set out plans going forward.

“MANAGING A LARGE IP PORTFOLIO BRINGS WITH IT A NUMBER OF CHALLENGES, SUCH AS ENSURING THE DATA IS ALWAYS ACCURATE AND UP TO DATE, AND BALANCING IP PROTECTION NEEDS WITH THE BUDGET A BUSINESS HAS ALLOCATED TO IT.”

- CONNOR THOROGOOD -

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



Dina Biagio

Biagio: The main priorities when filing for IP protection will follow from the owner's strategy in relation to that IP. For example, if the owner intends to enforce a patent against competition to secure/increase market share then it is important that the claims cover the owner's products/services and are not so narrow that they can easily be designed around. The owner will also want to file for protection in all the markets in which it does or will operate in the short to medium term. The costs of obtaining the patent must be weighed up against the benefit to be obtained in this manner. If the owner has a licensing strategy, then the scope of the claims, territories for patent protection and the cost versus benefit metric, will all be different.

Owners should regularly review their IP portfolio to ensure that they are deriving value from their portfolio – renewing a registration in a territory where the mark is not used (and is not likely to be used in the short to medium term) is an unnecessary cost that should be avoided.

From a trade mark perspective, one of the main priorities is to ensure that trade marks are protected in the broadest way possible (i.e., word marks before logo marks, filing in black and white versus colour, filing a mark apart from descriptive material etc.). It is also crucial that brand holders regularly review their portfolio, especially in instances where they are using new trade marks (i.e. new logos, slogans, product designs etc.) to ensure that the new and/or updated versions of trade marks are sufficiently protected.



Tian-ying Zhao

Zhao: Talking about trademark protection, certainly, the first priority would be to file trademark applications on goods and services that you are or will be offering. When building a trademark portfolio in China, where infringement is rampant, you may add some other elements into your priority list:

- Register your trademarks on goods/services that are similar or related to those you are actually offering because they are easy prey for infringers. For example, if your product is teeth aligner, except for Class 10, you may file applications also in Class 3 (dentifrices), Class 5 (medicated dentifrices), Class 21 (toothbrushes), Class 44 (dentistry services), etc.
- Register your Chinese marks, not only those you are using or plan to use, but also those created by consumers. Chinese people love to name foreign brands with their mother tongue. Very often, before you enter the market, there may have been a popular Chinese name for your brand. Even after you begin marketing your brand with an official Chinese name, people may come up with some nicknames. It would be the best for you to register these non-official, but popular Chinese names to prevent others from using them to deceive the public.
- If you have a device mark, register its copyrights. Copyright Certificate is a strong piece of evidence of copyright ownership. With such a certificate and other proofs of ownership, you can oppose identical or substantially similar marks filed on any goods and services.

It is extremely important to regularly review your trademark portfolio to ensure there is no gap between its coverage and your trademark use. Your commercial team may alter or introduce new commercial signs from time to time. Product lines are also subject to changes. Do your existing trademark registrations sufficiently cover your business activities? As China adopts a "first-to-file" trademark system, it is dangerous to offer a product/service without suitable trademark registrations. On the other hand, there are often gaps between trademark coverage and enforcement needs. Do you have coverage on goods/services that are frequently targeted by infringers? Have you registered the nicknames of your brand? Finally, if there is any trademark that is older than three years but have not been used, you may file a duplicate one to ensure you do not lose the registration due to non-use cancellation.

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



Sumi Nadarajah

Nadarajah: For many companies (e.g. those in the pharmaceutical sector), IP is much more valuable than any physical asset. IP theft costs U.S. companies as much as \$600 billion a year according to the Theft of Intellectual Property Commission. With such figures at stake, it is clear that companies need strategies and systems in place to ensure the safekeeping of their IP. A prudent business owner should take the following steps to ensure the safety of their IP:

- **Prioritise IP by appointing an executive or team to oversee this area of their business:** This would include collaboration between the CEO, COO, HR, marketing, sales, legal, production, and R&D teams periodically to identify and protect the IP belonging to the business.
- **Adequate budgeting:** Companies which are serious about their IP and recognise these as business assets make adequate budgetary provisions for securing the protection of IPRs as well as the enforcement of such rights. This can be more challenging for smaller businesses or start-ups which may not have the luxury of big budgets for IP – however it is extremely short-sighted to ignore or neglect IP protection as part of a cost-saving measure. Too often, start-ups end up forfeiting IPRs by neglecting to protect their hard work.
- **Evaluating core assets and deciding on the IP protection required:** Companies often believe that patent protection is the only way to protect itself. Technology start-ups, for instance, frequently ignore the value of non-patent intellectual property. While patents can be incredibly valuable, it does not necessarily ensure that a company’s product is good or that it will sell well. Trade secrets, cybersecurity policies, trademarks, and copyrights can all be forms of IP that can be protected. Spending a little time to evaluate the company’s value proposition, and the best way to protect it, can be very important over the long haul.
- **Ensure that the IP is owned by your company:** I’ve often encountered clients who allow their foreign distributors to register their company’s trade mark in the distributors own name – only to have a falling out with the distributor who then refuses to return the IP to the rightful owner. This can result in a costly and often futile legal dispute in the foreign jurisdiction and sometimes even having to “buy” the mark back from the distributor for a grossly inflated fee (which would far outstrip the cost of having simply registering the mark in the owner’s name in the first place).
- **Choose and protect your name with care:** Your brand can be immensely valuable in the marketplace. Companies should make sure their name and any logos are clear for commercial use. If the names and logos are available to use, companies should register them as trademarks. In addition to preventing competitors from taking or using the company’s name, trademarks help a young company build a unique and identifiable brand. This, in turn, promotes the company’s visibility in the marketplace. Trademarks are also relatively cost effective (particularly when compared to patents).
- **Consider a global IP strategy:** Having a global strategy in mind is an important consideration for companies. In an effort to protect their inventions quickly and cost effectively, smaller businesses often overlook international standards of protection. Accordingly, down the line when the company looks to start expanding to international markets, it may find itself stuck without protection in important countries. Filing without understanding what international protection a company requires may result in international application time frames lapsing, barring a company from international protection. At a minimum, companies should seek advice from IP professionals about a strategy and the costs involved.

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



Emmanuel Ekpenyong

Ekpenyong: In order to ensure that IP is promptly filed, the IP practitioner must ensure that proposed applications are not similar to existing filings within the jurisdiction where the IPs are to be filed. IP owners in foreign jurisdictions must endeavour to file their applications within a jurisdiction before venturing into its local market. This is to prevent owners of indigenous products that are similar or even copied from the foreign IPs from denying the owners of the foreign IPs from having priority over their IPs.

Periodic review of IP portfolio helps IP owners to ascertain the steps taken by IP practitioners in respective jurisdictions to register their IPs. It also helps IP owners to ascertain their IPs that have been filed and the reasons for the delay in filing the same.



Patricia McGovern

McGovern: A key part of portfolio management is to have in place a clear IP protection strategy. This involves having an intimate knowledge of the business and what it currently does as well as its plans for the future. That way you can ensure that there is appropriate trade mark and design protection in place. Internal procedure should also be in place for catching innovation and ensuring it is properly appropriately protected by way of patent protection or trade secret protection.



Connor Thorogood

Thorogood: The main priorities when filing for IP protection depend to an extent on the IP being protected. From a patent perspective for example, if an invention has patentable elements it is vital to consider patent protection at an early stage before the invention is disclosed.

For new trade marks, it is advisable to consider clearance searching to check for any earlier trade marks that could pose opposition or infringement risks. It is also important to think carefully about the goods and services you are protecting your trade mark for – consideration should be given to both current and future business interests under the mark. Beyond this, decisions will need to be made as to which countries you wish to obtain protection in and whether there are any logo/device elements which also require protection.

As part of this, regularly reviewing your portfolio (for example through conducting an IP audit every year) is vital to making sure your existing protection matches your current business. For example, over time a business can expand into different areas, and a specification of goods and services a trade mark covered 10 years ago may now be out of date and need to be expanded. In the same vein, a business may enter a new country and at that point may need to file new applications there. In addition, rebranding and changing logos can lead to old trade mark registrations needing to be replaced with the new versions to ensure continued protection.

“INTERNAL PROCEDURE SHOULD ALSO BE IN PLACE FOR CATCHING INNOVATION AND ENSURING IT IS PROPER APPROPRIATELY PROTECTED BY WAY OF PATENT PROTECTION OR TRADE SECRET PROTECTION.”

- PATRICIA MCGOVERN -

Q11. How can clients effectively monetise their IP and what should they do with it is not generating revenue?



Nisha Anand

Anand: The first step to monetising IP is to protect it. The second step is a little more complicated and will depend on a number of factors, including whether the rights holder is using the IP themselves and can take advantage of market exclusivity. Other factors include characteristics of the asset itself, the relevant industry and whether the rights holder has the resources to enforce their IP right.

In all instances, monetising IP costs money – like the old adage, you have to spend money to make money. If the rights holder uses the IP, the rights can be used to reduce market competition and increase revenue. The rights holder has to enforce their IP to reduce market competition, by identifying infringers, sending a cease-and-desist letter and more often than not, commencing litigation.

Licensing revenue is another way to monetise IP and is useful for all rights holders, whether or not they use the IP. Where the objective is to offer a license rather than to enjoin an infringer, the initial steps are often taken business-to-business and not through lawyers. IP lawyers will get involved to prepare or review the proposed license agreement if the negotiations are successful, or to send the cease-and-desist and commence litigation if they are not.

Rights holders should keep in mind that IP rights have a lifespan – for some rights it's finite and for others, it's “use it or lose it”. There is very little benefit to owning IP if you do not take steps to monetise it. While enforcement can be expensive, the Canadian legal market is generally open to alternative fee structures and arrangements with litigation funders to offer better access to IP enforcement.



Dina Biagio

Biagio: An IP owner must have a clear strategy regarding how that IP will be used to harness a benefit. If IP is not intended to be enforced against others to secure a monopoly in the market (for example, if a patented invention does not protect a product/service offered or intended to be offered by the IP owner) then value must be derived in some other way – as a licensable interest, for leverage in a collaboration, for securitization or for some other purpose.

A business should continuously weigh up the costs of maintaining each item in an IP portfolio, versus the benefit that is realised from that item. IP items that are not pulling their weight should be sold (if they have the potential to be of value to someone else) or allowed to lapse.



Emmanuel Ekpenyong

Ekpenyong: In order to generate wealth from IP, owners must ensure that their IP is unique and valuable to human existence. They must file their IP at the relevant Registry to claim priority over it. They should rely on modern platforms to exhibit their IP to ensure that they get adequate remuneration when a person in any part of the world uses their IP without their consent. Owners of IP must tap into the global market provided by internet and social media.

Q12. What should clients do before or after receiving notice of an expungement or reexamination petition?



Dina Biagio

Biagio: This depends on the basis on which a third party has threatened to cancel or invalidate a trade mark. Most commonly, threats to cancel a mark are received on the basis of non-use. If this is the case, and such a notice is received, a brand owner cannot begin using a mark at that stage to defeat such an application. All evidence of use must be gathered to defend the application.

The best steps to take in this hypothetical situation will depend on the facts of the matter and the reason why the application to cancel a mark has been lodged. For example, if the brand owner's mark is blocking a subsequent registration of a similar mark, it may be better to simply consent to the registration of the later application and preserve the prior registration from being cancelled - in this way avoiding the costs of litigation required to defend a mark which is not being used.



Tian-ying Zhao

Zhao: In China, expungement or re-examination proceeding is called "cancellation of trademark registration on the ground of non-use for three consecutive years". Anyone can initiate a non-use cancellation proceeding against any trademark, any time after the trademark is registered for three years. Trademark owners should always be prepared for this kind of challenge. For trademarks that have been used in commerce, clients should maintain evidence of trademark use well so that they won't panic once receiving a Notice for Submitting Proof of Use. For trademarks that are registered for defensive purposes or, for some reasons, have not yet been put into use, clients may consider refiling the relevant trademarks every three years to make sure that there is always a registration that is younger than three years in their portfolio.

Here are a few tips for responding to non-use cancellations:

- Documents issued by the respondent, such as proforma invoices, authorisation letters, and internal sales records, are very weak in proving trademark use. Such evidence must be supported with more "credible" evidence, for example, the contracts signed/sealed by another party, bank receipts rendered by a bank, and tax receipts (Fapiao) that are issued in a government system.
- Contacts, alone, are usually not sufficient to prove sales of goods. They must be supported with other proofs showing that the contracts have been performed, for example, tax receipts, bank transaction records, waybills and customs declaration forms.
- Whenever possible, specify the relevant trademarks on your transaction documents, for example contracts, invoices, and tax receipts.
- Product samples or photos of the samples are not admitted unless being filed along with proofs of the date when the products were made or photos were taken. For products made by third-party factories, purchase orders with these factories (of course, along with the relevant tax receipts, bank transaction records) may be submitted to show the date of production. Clients may photograph their products each year, and send them to a mailbox of a third-party email service (e.g. Outlook, Gmail) so that the sending date of the email can help prove that photos are taken no later than the filing date of the cancellation.



Sumi Nadarajah

Nadarajah: The United States Patent and Trademark Office (USPTO) introduced two new procedures pursuant to the Trademark Modernization Act of 2020, providing streamlined avenues to seek cancellation of trademarks that are not, or have not at key times, been in actual use - expungement and reexamination.

An expungement proceeding applies where a registered mark has never been used in commerce in connection with some or all of the goods and services recited in the registration.

Q12. What should clients do before or after receiving notice of an expungement or reexamination petition?



Sumi Nadarajah

A reexamination proceeding is available when a registered trademark was not in use in commerce in connection with some or all of the goods and services as of the filing date of the underlying application (in the case of a use-based application) or statement of use (in the case of an intent-to-use application).

Expungement and reexamination proceedings are clear “deadwood” from the trademark register in a manner that is faster, simpler and less expensive than traditional opposition and cancellation proceedings.

Upon receipt of a claim of non-use, registrants may submit testimonial evidence in the form of a sworn declaration in response. This should be supported by corroborating documentary evidence such as specimens of use. For reexamination proceedings, the registrant’s evidence of use must demonstrate use of the registered mark in commerce on or in connection with the goods and/or services at issue on or before the date the application (for use-based applications) or allegation of use was filed or the expiration of the deadline for filing a statement of use (for intent-to-use applications). For expungement proceedings, the burden on the registrant is a little easier: the registrant must introduce evidence that the mark was in use at any time before the filing date of the petition to expunge.

As the Office already considered the registration file when deciding to institute the proceeding, resubmitting the same specimens of use without any additional supporting evidence will likely be insufficient to rebut the prima facie case of non-use. A registrant may also respond to an expungement or reexamination proceeding by submitting a response that deletes some or all of the goods and/or services at issue in the proceeding, or surrenders the entire registration.

From a practical viewpoint, attorneys reviewing trademark clearance reports should consider the availability of a potential expungement or reexamination proceeding against a blocking mark and the likely outcome. Such availability could lead to a quick negotiation with a reasonable registrant that entails deletion of goods and services that are unimportant to the registrant (because the mark is not being used in connection with them). This possibility may change the trademark availability analysis and/or business risk.

In Ireland, we are still bound by traditional non-use revocation and cancellation proceedings to challenge marks which are not in use.



Emmanuel Ekpenyong

Ekpenyong: Where an IP has been filed and a client believes that the person who filed the IP had no bonafide intention to use the IP for the purpose it was filed and there is no bonafide use of the IP for a stipulated period, the client may apply to court for the IP to be expunged from the relevant register. A client who receives notice from the court that his or her IP is to be expunged from the register for non-use should take steps to show to the court that the IP has been in use during the relevant period to entitle him or her to continuous use of the IP and to prevent the court from making an order to expunge the IP from the register.

A patent re-examination proceedings is commence by a petition which is accompanies by particulars of objections to the validity of a patent. The particulars must state valid grounds for challenging the validity of the patent. After filing the grounds, the petitioner shall take out a summons for directions on the place and mode of trial. The matter will be set down for hearing of the summons and the court shall make orders as it deems appropriate in the circumstance.

Q13. What are the steps for gaining a patent term extension (PTE) in your jurisdiction?



Nisha Anand

Anand: The Canadian Patent Act provides for Certificates of Supplementary Protection (CSPs) for patented pharmaceutical products, which are intended to compensate for the time it takes to design, develop and get market approval for these products.

CSPs differ from traditional PTEs in that they do not confer full patent protection. For example, unlike patents, they do not offer protection against making, using or selling the subject pharmaceutical products for the purpose of export from Canada.

Regarding the term, CSP protection starts on the date the patent expires and is otherwise viable a maximum of two years. The CSP term on a patented medicine (or combination of medicines) will be the difference between the patent filing date and the market approval date from Health Canada, minus five years. Neither the patentee's conduct nor the particulars of the drug approval process are considered in determining the term of the CSP, unlike in other jurisdictions where patent term extensions are available

The patentee (and innovator pharmaceutical company) can apply to Health Canada for a CSP. The application process, time limitations, etc. are set out in the following Health Canada guidance document: <https://www.canada.ca/en/health-canada/services/drugs-health-products/drug-products/applications-submissions/guidance-documents/register-certificates/certificate-supplementary-protection-regulations.html#a221>

Biagio: There is no provision in South African law for obtaining a patent term extension.



Dina Biagio

Ekpenyong: Patents registration in Nigeria is for a period of 20 years from the date of filing the patent application. The patent shall lapse if the prescribed annual fee is not paid in respect of the patent. However, a period of six months shall be allowed for payment of the prescribed fee and if the prescribed fee is paid within that period, the patent shall continue. Expiration or lapse of patent shall be registered and notified. There is no provision for patent term extension in our jurisdiction.



Emmanuel Ekpenyong

"THE CSP TERM ON A PATENTED MEDICINE (OR COMBINATION OF MEDICINES) WILL BE THE DIFFERENCE BETWEEN THE PATENT FILING DATE AND THE MARKET APPROVAL DATE FROM HEALTH CANADA, MINUS FIVE YEARS."

- NISHA ANAND -

Q14. How should clients deal with amendments and rejections?



Dina Biagio

Biagio: South African patent applications do not undergo substantive examination before grant and therefore, no rejections will be issued by the South African Patent Office. However, it is important to consider filing a voluntary amendment to an application if there is relevant prior art, or any other factor, which may affect the validity of the patent granted from an application.

Voluntary amendments may be filed at any time but the application formalities for amendment after grant are more onerous and the scope of allowable amendment is reduced compared to amendment before grant. Where amendments are required, it would be preferable to make these before grant.



Tian-ying Zhao

Zhao: In China, most of the amendment notices issued by the Trademark Office are related to description of goods/services. China adopts a Classification of Similar Goods and Services (“the Classification”), which is developed based on the Nice Classification, and further divides goods/services in each class into similarity groups. All goods/services listed in the Classification are deemed standard descriptions. Besides, the Trademark Office publishes a list of acceptable descriptions (“the List”). If one or more of your goods/services are neither in the Classification, nor in the List, you are likely to receive a notice of amendment. Please note that applicants have only one chance to amend their goods/services. If your amendments do not satisfy the examiner, your application will not be accepted by the Trademark Office, and the priority date will be lost. In view of this, you are advised to designate your trademarks only on standard or acceptable goods/services.

If you want to try your luck on some non-standard/acceptable descriptions, it would be the best to switch to the standard/acceptable descriptions once receiving an Amendment Notice. Yet, there are times that your product/service is found neither in the Classification, nor in the List, especially when you are in a new area of business. In such case, you need to prepare a description that well informs the examiners what your product/service is, and at the same time which class and similarity group such product/service falls into. If a notice of amendment is received, you may file an explanation on the nature of your product/service, as well as the relevant product memo or service guide to overcome the office action.

The Trademark Office may reject your application on absolute and/or relative grounds. I will talk about rejections on absolute grounds here. First, China has a higher standard for distinctiveness of trademarks. Many trademarks that are registered in other jurisdictions, including some suggestive trademarks, are rejected in China for lacking distinctiveness. Full company name of the applicant and slogans are also considered descriptive. Second, the Trademark Office has a very low tolerance on deceptiveness of trademarks. For example, a trademark containing the word “PH7” may be rejected for being deceptive when designated on “scientific services”. In general, rejections on relevant grounds are very difficult to overcome. If your mark are rejected on these grounds, you may have no choice but to alter your trademarks.

“SOUTH AFRICAN PATENT APPLICATIONS DO NOT UNDERGO SUBSTANTIVE EXAMINATION BEFORE GRANT AND THEREFORE, NO REJECTIONS WILL BE ISSUED BY THE SOUTH AFRICAN PATENT OFFICE.”

- DINA BIAGIO -

Q14. How should clients deal with amendments and rejections?



Emmanuel
Ekpenyong

Ekpenyong: An application for filing of a patent may be rejected if the patent relates to more than one invention. When the application is rejected, the client should amend his or her patent to relate to only one invention. However, the patent may be in connection to any number of products, any number of manufacturing processes for the products, any number of applications for the products, and any number of processes and for the means of working the processes.



Connor Thorogood

Thorogood: There are generally three main types of objections that a trade mark application receives in the UK:

- Minor examination objections, for example those requiring amendments to the goods and services applied for in the specification. These are typically reasonably straightforward to overcome and often involve providing more specificity on the goods and services applied for and/or transferring terms to different classes.
- More serious examination objections, for example a finding that the trade mark applied for is non-distinctive/descriptive and therefore cannot function or be accepted as a trade mark. These objections are usually more difficult to overcome, and options would include filing written arguments, requesting a hearing, or in some cases filing evidence that the trade mark has in fact acquired distinctiveness through the use made of it and therefore is capable of indicating the origin of the goods and services applied for.
- Third party objections in the form of oppositions are the other main issue a trade mark application can face. Often, an objection from a third party can be settled through negotiations. This may involve limitations/deletions being made to the specification and/or a coexistence agreement being put in place. In some cases, an amicable settlement is not possible and a decision then has to be made as to whether to defend the opposition or withdraw the application, potentially resulting in rebranding and a new application being filed.



TRADEMARK APPLICATION

Q15. Why is it imperative that IP litigation risks are included as part of the due diligence of a target company in M&A transactions and what are the key factors that need to be considered?



Dina Biagio

Biagio: The largest portion of the purchase price of a business may be attributable to intangible assets so IP must be carefully considered in any due diligence for an M&A transaction.

In such a due diligence, the target's IP must be assessed in the context of the business in which it is used. This means understanding the products themselves as well as how the products are manufactured, assembled, marketed and distributed; the extent to which the target is dependent on the technology or any supplier, distributor or customer; the competitive landscape; the pace of technology development; and any other risks that are specific to the market, technology or sector.

Once the target's IP has been identified it is important to assess the individual IP items. Is a claimed invention revolutionary or does it protect an incremental advancement over existing technologies? How easily can a patented invention be designed around? What is the likelihood that a patent granted in a non-examining country is valid? If the portfolio includes patent applications, what is the likelihood of these proceeding to grant and their validity being uncontested after grant? Will the scope of the claims of a patent application need to be severely narrowed to distinguish the claimed invention over prior art? What is the remaining term of each of the items? What is the reasonable useful lifespan of the portfolio, having regard to the pace of technology development and time horizon for redundancy of the claimed inventions/designs? Are there disclaimers that limit the scope of the registered trade marks? Has the target divested itself of any rights through contract (e.g. licensing)?

Understanding what drives the target's business and the nature and scope of the IP that the target owns should enable an assessment to be made regarding the ability of the target to derive benefit from its IP. Is the scope of protection afforded by the patent portfolio broad enough to cover the latest embodiment of the target's products/services? Does the target use any trade marks in respect of which trade mark applications have not been filed? Are there registrations in all the territories in which the target operates?

The existence of third party IP that could prevent the target from operating should also be considered. Infringement searches may need to be conducted through the registers of the countries in which the target intends to operate to establish whether there are any third party rights which could be enforced against the target. If any such IP is revealed by the search, the target's strategy in relation to this third party IP should be investigated. If it is faced with an infringement suit, is there scope to design around the IP, obtain a licence, or challenge the validity of the IP?

Ekpenyong: Due diligence in relation to IP is very important in M&A transactions because it assist the acquirer or investor to:

- Ascertain the unknown liabilities and risks associated with IP of the company to be acquired ("the acquiree").
- Determine the marketability of the acquiree.
- Identify inherent weaknesses associated with the IP portfolio of acquiree which may compromise a sale.
- Determine the ownership of the acquiree's IP and documentation in proof of such ownership.
- Identify potential sources of wealth which the acquiree did not harness from its IP.
- Identify competing interest and a likely litigation risk.
- Demand for more information and documentation of the acquiree's IP.
- Evaluate the worth of the acquiree's IP.
- Ascertain which products or services which they will use the acquiree's IP



Emmanuel Ekpenyong

Q15. Why is it imperative that IP litigation risks are included as part of the due diligence of a target company in M&A transactions and what are the key factors that need to be considered?



Patricia McGovern

McGovern: Patent litigation can create its own set of issues particularly if it is multi-jurisdictional patent litigation where strategies in the countries need to be closely aligned.

Of relevance are the circumstances in which the litigation occurs (e.g. is it proactive or reactive?). In terms of proactive patent litigation, a business before launch of a product may seek declarations of non-infringement (i.e. confirmations from the court that a particular product or process does not infringe specific patents).

Other mechanisms used to clear a path before launch are revoking patents that for whatever reason it is considered should not have been granted.

From the point of view of the patent holder it is important to have clear guidelines on what patents warrant protection and what is the objective of any patent litigation (e.g. to obtain an injunction, damages or an account of profit or to bring the infringer into the fold and have it become a licensee).



Sónia Queiróz Vaz

Queiróz Vaz: Depending on the target companies, IP may be seen today as the driver of M&A and the focus of investors. Therefore, it is imperative to map the relevant IP portfolio to be able to clearly identify the respective rights, value, ownership, if rights are valid and in force and eventual contingencies associated. It is indeed imperative that IP litigation risks are included as part of the due diligence of a target company in M&A transactions considering this may have relevant impacts on the transaction price, on the IP portfolio value and on related liability for damages. Therefore, key factors that need to be considered are, for example, the identification of the rights included in the IP portfolio, respective value, original ownership, assuring that is owned by the target, effectiveness, licenses granted and other encumbrances and transfers, to duly assess eventual contingencies associated, define actions to correct them before transaction/until closing, if possible or to contractually agree on adequate representations and warranties or specific indemnities (indemnification regarding possible damages and liability associated).



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