

INFORMATION SHEET

Reviewing your intellectual property portfolio

A company's intellectual property portfolio is one of its most valuable assets and, as such, it should be properly maintained and well managed. Proper maintenance requires that an intellectual property portfolio be reviewed on a regular basis and updated in view of budgetary constraints and marketing strategies. This article summarizes some aspects of such a review and certain considerations that should be addressed in conducting it.

Maintaining an inventory. Every business should have an inventory of its intellectual property assets which is complete and up-to-date. The inventory should include records of all of the technologies owned by the business and should include such relevant information as all patents, patent applications, industrial design registrations, invention disclosures and trade secrets. Intellectual property that is protected by copyright should also be included such as software, manuals, training videos and any works of an artistic nature.

Brands are an important part of a business's intellectual property and the inventory should include records for each brand, including examples of all trade-marks, logos and business names along with the dates that they were first used and the dates that any trade-mark applications were filed or registered.

Finally, it's important to maintain copies of all agreements to which the company is party relating to intellectual property, confidentiality and employment matters as these agreements are important in establishing ownership of, and rights to use, intellectual property.

Reviewing patents and patent applications.

The cost of obtaining patent protection around the world is high, and so it is important to ensure that budgetary resources are allocated to those technologies, and those countries, of most

relevance to the business's current activities and future plans. Patents and patent applications in areas of waning interest may need to be withdrawn or abandoned to reduce costs.

Similarly, patent applications may need to be filed in countries that could become important markets. Another important consideration is the country where products, and competitors' products, are manufactured. Strong intellectual property protection in these countries can be used to curtail the manufacturing activities of infringers. Marketing, sales and manufacturing are dynamic processes, therefore ongoing evaluation is necessary to ensure that the business's patent strategy and its business plan are aligned.

The claims of issued patents and pending patent applications must be reviewed on a regular basis to ensure that they adequately cover important product lines, including those that are on the market now and those that will be launched in the future. Deficiencies in this area must be addressed by amending existing applications or filing new ones.

Confirming ownership issues. Nothing can be more devastating to a business than discovering that it doesn't have adequate ownership of its intellectual property due to a failure to obtain appropriate assignments or suitable contracts with employees and third parties. A complete intellectual property portfolio should include documentary evidence of the business's ownership of its intellectual property in the form of contracts with its employees and contractors along with assignments from the inventors of each invention. This is a particularly important consideration to a business seeking to attract investment since investors are becoming more concerned about ownership and rights to use intellectual property and are increasingly requiring that documentary evidence be clear, complete and up-to-date.

OTTAWA

55 Metcalfe Street Suite 900
PO Box 2999 Station D
Ottawa ON K1P 5Y6
Canada
t. 613.232.2486
f. 613.232.8440
ottawa@smart-biggar.ca

TORONTO

Box 111 Suite 1500
438 University Avenue
Toronto ON M5G 2K8
Canada
t. 416.593.5514
f. 416.591.1690
toronto@smart-biggar.ca

MONTREAL

Suite 3300
1000 De La Gauchetière Street West
Montreal QC H3B 4W5
Canada
t. 514.954.1500
f. 514.954.1396
montreal@smart-biggar.ca

VANCOUVER

2300-1055 West Georgia Street
PO Box 11115
Vancouver BC V6E 3P3
Canada
t. 604.682.7780
f. 604.682.0274
vancouver@smart-biggar.ca

smart-biggar.ca

SMART & BIGGAR

FETHERSTONHAUGH

Barristers & Solicitors • Patent & Trade-mark Agents

Protecting trade-marks. A comprehensive intellectual property inventory should include samples of use of each of the business's brands. By carefully monitoring these samples, the business can ensure that its trade-marks are being used properly, both by itself and by third parties such as distributors and sublicensees. Improper use of trade-marks can result in loss of trade-mark rights and a consequent inability to enforce trade-marks against infringers. Accordingly, it's very important that the use of the trade-marks be consistently monitored and controlled. If variations of trade-marks are being used, this use must be corrected or, alternatively, new applications must be filed for the variations in use.

Samples of trade-mark use are also important should conflicts arise with infringers. In these circumstances, it may be necessary to provide evidence that the business has properly used its trade-marks. This will necessitate providing examples of how each trade-mark has been used over time in such places as advertisements, labels, packaging and invoices.

The use of trade-marks by distributors, sales agents, franchisees, sublicensees or other third

parties must be governed by appropriate licensing agreements. A failure to ensure that proper licensing agreements are in place can result in a loss of trade-mark rights. Accordingly, each of the licensing arrangements with such parties should be examined to ensure that adequate licensing agreements are in place.

As it should be clear from the points mentioned above, reviewing your company's intellectual property portfolio is not a single task that can be carried out on a one-time basis. Inventions, patents, patent applications, trade-marks and intellectual property agreements must be reviewed on a regular basis to ensure that intellectual property assets are adequately protected and that budgetary resources are allocated effectively.

The professionals of Smart & Biggar/Fetherstonhaugh would be happy to assist in reviewing an intellectual property portfolio, and in developing systems to organize and maintain a portfolio. For more information, please contact any of our offices across Canada.