

AN OVERVIEW OF INTELLECTUAL PROPERTY LAW IN CANADA

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Note: This paper is written from a very general point of view. It does not constitute legal advice and cannot be relied on for any specific situation or set of facts. Some concepts have been generalized and/or simplified and many exceptions to the general rule are not discussed. Those requiring further information or legal advice are urged to contact competent legal counsel.

INTRODUCTION

The intent of this paper is to present an overview of a number of areas of Canadian Intellectual Property Law, with a view to providing some guidance on how to protect intellectual property from such things as loss, infringement or theft.

We now live in an age where information and intangible property have greatly increased in both abundance and value. Information is generally in the public domain and can be freely used and repeated by anyone. Ideas are usually free. However, the expression of that information in a specific fixed form may be protected from copying or distribution, and can therefore be said to be a form of intellectual property. The law does provide protection for ideas in the form of various types of intellectual property such as patents.

This paper will provide an overview of the main areas of intellectual property law of concern to anyone living and working in the knowledge economy of the 21st Century. The paper will conclude with a brief discussion of some of the ramifications of the digital and information age.

TYPES OF IP

There are several types of what is commonly referred to as IP, some of which are really not very “intellectual” at all. Some types of IP are quite intangible; others completely tangible. Typically, they are categorized as follows:

- Trademarks – really more a type of Industrial or Business Property, but they are of concern to most businesses and professions
- Patents – protection for inventors
- Franchises – licensing of duplication of business processes, products, look and feel, etc. (this may involve trademarks, patents and copyright, as well as trade secrets, etc.)
- Trade Secrets – competitive advantage in a secret - *the seven secret spices*
- Copyright – probably the most significant area for digital property
- Industrial Designs

- Integrated Circuit Topographies
- Other items, such as Plant Breeders Rights (protected by Canadian legislation)

Examples of some of the above, using a typical computer as a demonstration model, are as follows:

- Trademark: Dell, IBM, Compaq, etc.
- Patent: Design of the hard drive
- Copyright: Software, e.g. Windows 2000, Microsoft Word or Adobe PhotoShop (note that Windows, Microsoft and Adobe are trademarks)
- Trade Secret: The means by which a manufacturer can complete the product in only 60% of the time required by its nearest competitor
- Integrated Circuit Topography: May protect parts of the circuitry or chips
- Industrial Design: May protect a unique shape of mouse or a mouse pad design (which may also be copyright)
- Franchise: Authorized Dealer

ASSIGNMENT OR LICENSE?

It is important to distinguish between two primary means by which interests in IP can be granted, sold or conveyed. The terminology is crucial to understanding potential legal consequences:

1. Assignment: This is roughly equivalent to a sale. The purchaser gets (with some possible exceptions) everything the seller has to sell.
2. License: One definition of a license is permission to do something that otherwise would be tortious or illegal. A license grants permission to use intellectual property, usually on specific conditions and terms. It may or may not be exclusive. It may be very long term, even permanent, or very brief. It may be limited to a geographical area or a specific market. It may be irrevocable or subject to being revoked.

Typically, transactions involving IP are licenses of some sort (and there are many variations). When you purchase software, you often receive limited permission to use it on one computer, possibly with a back-up copy. You cannot legally make other copies, and you cannot modify, reverse-engineer or decompile the product. Generally, you do not even receive the source code that would make such activities more feasible.

When you purchase a book, you receive a license to read it, to quote from it in a limited fashion, to lend it to a friend, but generally not to make copies of it.

TRADE-MARKS

Trade-marks are protected both at common law and under the Trade-mark Act. Protection under the Trade-mark Act requires registration at the Canadian Trade-mark Office and is subject to checking and challenge by the Office and by the public, even after registration.

Rights to a trademark do not accrue from mere creation. What does create rights in a trademark is use, or related elements, such as public recognition (linking in the mind of the public between the mark and the product or service) or an intention to use. The rights are not usually those of the creator of the trademark, but of the person behind the use, intent or creation of public recognition.

Besides registration, there is common law protection. To protect trademarks, we have the action of passing off, which is used to stop use of a confusing similar or identical mark with the result of damaging the business of another. To win a passing off action, a party must prove:

- a) reputation or good will acquired in a business, name, mark or other trading symbol;
- b) a misrepresentation by the defendant causing confusion or deception between the two businesses;
- c) actual or likely damage;
- d) no public policy reason to not grant a remedy

There are several types of trademarks. We have the “classic” mark: one that distinguishes a product from another. Coca-Cola is a good example. The Legal definition is “a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares....manufactured, sold, leased, [or] hired....by others.”

There are also service marks. These distinguish services performed by one person from those performed by another. McDonalds is a service mark for restaurant services and may also be a classic mark for various food products.

We also have the proposed trademark, which is a separate category in the Trade-mark Act. While at common law no protection existed without actual use and acquiring a reputation from that use, this allows an unused mark to be registered, which can give it priority over a later actual use by another. One reason for using this is that trademarks can often be expunged at some point, either by the Trade-mark Office itself or by challenge from another. Using a proposed trademark means that much less money has been spent getting a reputation.

Attributes of a Trade-mark:

- a) Has to have a Mark – “any sign, or combination of signs....including personal names, designs, letters, numerals, colors, figurative elements.” Slogans (“let your fingers do the walking”) have qualified.
- b) Must be distinctive – actually distinguish one business’s products or services from another’s, or be capable of being “adapted to distinguish” them.

Purely *descriptive* words are generally not allowed. An example is the words “clearly” and “Canadian”. Separately they cannot be trademarks, but with extended advertising and use as “Clearly Canadian” they can be, and then can be registered.

It’s notable that a trademark can lose its distinctiveness by falling into the language as a general term. “Nylon” was once a trademark. “Thermos” almost lost protection in the 1960’s when the public began to use the term for any product of that type. The courts in both Canada and the U.S. considered the thermos matter and ruled that a sufficient minority of consumers still linked it with the product. The courts in the U.S. also allowed competitors to use the word “thermos”, but without the capital “T”, as long as they added their own brand name and did not use words such as “original” or “genuine.”

If a trademark is used simultaneously in Canada by two businesses, it cannot be said to be distinctive, and neither can register. If this happens after registration, the registered mark can become invalid if nothing is done to enforce the registrant’s rights.

As a result, companies can be very vigilant and aggressive in defending their trademarks to avoid losing protection. For example, the Disney Corporation spent years in litigation here in Edmonton over the issue of using “Fantasyland” as a mark for an amusement park. As we all know, Disney has their own park using that name, and ultimately Disney won the case. The use of the mark for the “Fantasyland Hotel” is not as clear, since it is a different product, being a hotel as opposed to an amusement or theme park.

Another recent example of failure to be vigilant occurred when Bell Canada lost its rights to “CALLING CARD” and “900 SERVICE” because of poor exercise of control over the way licensee companies had used the marks.

PATENTS

Patents protect inventions, and are issued solely under the Patent Act. Unlike trademarks, there is no protection at common law. “Inventions” are “any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter. The intention is to encourage creativity and the development of new technologies. Therefore, to achieve protection, an idea needs to be:

- a) new
- b) useful
- c) non-obvious

A patent can be granted to the inventor (or the employer of the inventor in some cases) for new, useful and non-obvious ideas with practical industrial application. The patent system forces the inventor to fully disclose so that others may work to improve the idea, and rewards this disclosure with generally an absolute monopoly for the period of the patent. It's important to note that patent laws vary from one country to another, and what may be patentable in one country may not be in another.

Generally patents now last 20 years from the date of filing the application. Usually, the first to file an application wins any dispute. Accordingly, it is important to protect the idea by keeping it as confidential as possible until the application has been filed.

The holder of the patent is granted an absolute monopoly for the period of the patent. Nobody can sell or use the invention, even if they arrive at it independently without knowledge of the patent. Of course, the patent may be licensed to one or many parties. The holder of the patent must pay annual maintenance fees (\$100.00 rising to \$400.00 annually).

It's important to note that there is no such thing as an international patent – applications are made country by country. In Europe a single application in Munich can cover multiple countries. There is a Patent Cooperation Treaty, 1970, which has been ratified by most industrialized nations, including Canada since 1990.

A Canadian national or resident may file an international application with the Patent Office (the “receiving office”), designating the countries in which patents are sought. The Canadian filing date becomes the international filing date and a copy is sent to each designated country and is treated as a separate application there. Each member country's substantive law must be complied with, but each will treat the application as complying with their procedural law. Search and examination reports can be obtained from International Searching and Preliminary Examination Authorities – for Canada this is the European PO, not the USPO.

TRADE SECRETS

A Trade Secret is any information or item or body of knowledge that gives its owner a commercial advantage over others. The advantage derives from the fact that it is not generally known. The advantage exists only as long as that remains the case.

There is no specific Canadian legislation dealing with Trade Secrets. In 1986 the Alberta Law Commission did prepare a report in the area, including a draft Trade Secrets Act, which has not been enacted, and which included the following definition:

“Trade Secret” means information including but not limited to a formula, pattern, compilation, programme, method, technique, or process, or information contained or embodied in a product, device or mechanism which:

- i) is, or may be used in a business,
- ii) is not generally known in that trade or business,
- iii) has economic value from not being generally known, and

- iv) is the subject of efforts that are reasonable in the circumstances to maintain its secrecy.

If your confidence is breached, and your trade secret is disclosed, you may be able to pursue a remedy in the courts by suing the parties who breached the confidence and possibly the recipients of the information, depending on the circumstances, as well. Innocent purchasers from an industrial spy are less likely to be held liable than someone who participated more or less actively in a plan to steal the information.

In order to succeed, you will likely need to fit your case within the following parameters:

- a) Your information was in fact a trade secret, and you took reasonable steps to maintain its secrecy. This might include things such as locking it up, keeping it in a restricted area, limiting access to it, etc.
- b) If your information was previously disclosed, it was done under circumstances which led to an obligation of confidentiality arising. For example, was it revealed only to those employees who needed to know to perform their duties? Did the recipients of prior disclosure sign confidentiality or non-disclosure or secrecy agreements?
- c) Has a party used or misused the information so that you have suffered damage? You likely cannot sue someone for simply having learned the secret – they must have done something such as use it in a manner which damages you economically.

Trade secrets may also be subject to other forms of legal protection. A customer list might be subject to copyright. A secret device or process might be patentable.

Trade secrets have some distinct advantages. They can theoretically last forever, while things like patent and copyright expire. They may be enforceable in many jurisdictions without registering a patent in each.

On the other hand, the primary problem is this form of protection can be lost no matter how hard you try. The law requires that you make all efforts possible to maintain the secrecy.

Others may innocently and independently come up with the same idea. Or, it may be reverse-engineered but then changed or improved to the point that it is no longer an infringement. A patent could prevent much or all of that – a trade secret will not.

Publication or disclosure destroys the value of a trade secret. Lawsuits for infringement or disclosure may not lead to a satisfactory result, particularly where the defendant can't be found, or the defendant may be judgment proof, having no assets to pay or being in a jurisdiction where they cannot be attacked. Even where damages can be collected, they can be a very inadequate remedy. Of course, once the secret is out, an injunction forbidding the disclosure is often neither possible nor, if granted, effective.

To fully protect yourself in any situation, you should use a properly drafted and executed non-disclosure, confidentiality or secrecy agreement (all pretty much the same thing). Such an agreement will not only define the rights and obligations of the recipient of the

disclosure, but also of you. Further, it will serve as evidence of the efforts made to keep the information secret, which will be required in any circumstance where a dispute ends up in court. Finally, such agreements are for people you already trust.

FRANCHISES

There are many types of franchises but generally they allow the right to carry on business under a particular name, look, feel and style, with licensing of the right to trademarks, processes, products, etc. along with restrictions on where materials or services are purchased, pricing, marketing, conduct of the business, etc. McDonalds and Second Cup sell franchises (on the basis of licensing). A & W, while it looks like it could be a franchise, is not, but is a private company owned and operated out of Vancouver. Franchises are generally dealt with by franchise agreements and contracts, and may also be subject to government regulation, depending on the jurisdiction. In Alberta, they are subject to the Franchises Act.

COPYRIGHT

Copyright deals essentially with the right to copy, and applies to everything from music to literary works to notebooks to drawings to computer code and programs. Any and all rights to copyright are as set out in the Copyright Act of Canada, and in various treaties and conventions to which Canada is a party. There is no common law right.

Overview of Copyright Law

The Copyright Act is the sole source of protection in the sense that protection is a result of that statute. There is no real equivalent right at common law. The central aim of the Act is to grant rights of exploitation to authors of original literary, dramatic, musical and artistic works.

Original works can be created by old or new technology. It should be noted that quality is not of legal relevance – original garbage gets the same protection. Of course, garbage is a matter of opinion.

Protection under the Act is automatic, generally lasting for the life of the author plus 50 years. Only original work is protected (this does not mean necessarily a new work, but it must emanate from the work of an author or authors, and must involve some minimal intellectual effort. Even the most private or commercial correspondence, regardless of content, qualifies.

Please note that there is now no legal requirement to use the © symbol to be able to assert copyright. Works that meet the legal requirements are still protected. However, it is generally a good idea to use the symbol to make it clear that copyright is claimed.

Copyright Law prevents copying only. Therefore, infringement usually requires some element of copying.

Copyright Law protects expression only. It does not protect ideas, schemes, systems, artistic style or “any method or principle of manufacture or construction”. It cannot be over-stressed that ideas are not and cannot be protected by copyright.

Performers, record producers and broadcasters have similar rights, known as “droits voisins” under the Rome Convention (one of the international treaties with respect to copyright). In Canada, sound recordings are protected by copyright for a flat 50 year period. In 1996 the same flat 50 year protection was extended to broadcasters and performers. To be protected, the broadcast or performance must somehow be reduced to a tangible form, such as videotape or film.

Registration of Copyright

Registration is optional since every work is protected automatically upon creation. However, registration creates a presumption of validity. Infringement does not require an exact copy, but generally substantial similarity. Generally, in a lawsuit for copyright infringement, evidence of access to the work of the plaintiff and some substantial similarity in the complained-of work of the defendant will have to be proved. Registration may allow for better evidence of that.

The Canadian Copyright Office is located in Hull, Quebec, and accepts registrations of original works.

Literary, Dramatic, Musical and Artistic Works

Literary Works

Literary works cover anything and everything “expressed in writing”. The form is not relevant, so it can be on paper, on the side of a bus, or on a computer disk. The list of what is considered a “literary work” is long indeed, and includes far more than books. Such things as speeches, sermons, poems, business letters, medical records, even legal contracts and forms and a list of computer generated winning lottery numbers.

Every original work is protected, “whatever may be the form or mode of its expression.”

On the other hand, short statements or combinations of words, for example trademarks or slogans are not given copyright protection. They are not considered works. The reason for this is that when the words are few, granting protection runs the risk of granting a monopoly on the idea expressed. There may be no other way of saying it.

This means that spontaneous speech or signing are not protected. Borderline cases would arise with email – some may be long enough to be protected (I know I have some that must be in this category).

An interesting new development is much of the communication on the Internet, such as bulletin boards, chat rooms and ICQ. These are often more like conversations, but are in text form. The law has not yet developed on this issue.

Also of note is the fact that computer programs originally obtained protection as literary works. Now, a computer program is defined in the Act as “a set of instructions or statements, expressed, fixed, embodied or stored in any manner, that is to be used directly or indirectly in a computer in order to bring about a specific result.” Protection can be extended to source and object code, component routines, the screen display that results, and possibly even the programming language itself.

Dramatic Works

Many of these will be in writing, for example in script form, but could equally well be fixed on video tape or film.

Choreography, mime, etc. can also be protected if their “scenic arrangement or acting form” is reduced to writing. This should also apply if videotape is made of the performance.

The Copyright Act also protects any “cinematograph”, which includes movies, cinema and anything of that nature recorded on CD’s, DVD’s, computer disks, etc.

Musical Works

Again, these can be in writing, or in the form of a recording. Musical works are “any piece of music or musical composition, with or without words.” Rearrangements are also protected. For example, even though Chopin has been dead for much longer than 50 years, a reworking of a Nocturne with different slurs, phrasing, fingering or even changes to the melody or harmony may still be protected.

Sound recordings have been covered for a long time. Their copyright is distinct from the written music or lyrics. The Copyright Act originally dealt with “mechanical contrivances”, which can cover everything from gramophones to CD’s to computer disks to videotape.

Artistic Works

These also have to be in tangible form, and can be digital images. The Copyright Act has a long list, including paintings, drawings, maps, charts, plans, photographs, engravings, sculptures, works of artistic craftsmanship, architectural works, etc. Of course, we now have digital images, which should be accorded the same protection. The result of them being digital, though, is that they are so simple to copy.

Compilations

The Copyright Act also deals with compilations, which includes works that combine two or more of the above elements. For example, the script for a musical theatre production and the videotape of it could be protected, as could the originally painted backdrop to the stage.

Many computer programs are also compilations of smaller programs. Another thing to consider is that copyright in MS Word or PhotoShop goes to the programmer, while

copyright in the literary work produced in Word or the image in PhotoShop goes to the writer or creator, not the programmer.

Industrial Design

The Copyright Act does not cover “applied” artwork in the same manner. Such artwork may be applied as a design to a finished article, such as clothing, appliances, automobiles, etc. The Copyright Act protects such items only until more than 50 copies are made with the consent of the copyright holder. If I design an original suit or sports car, it will be protected until the fifty-first copy is made with my consent. However, the diagrams, drawings and blueprints are likely still protected. There is separate protection for Industrial Designs under the Industrial Designs Act as set out below.

Titles

A work is defined to include “the title thereof when such title is original and distinctive.” However, there is no separate copyright on the title alone. This was litigated in a famous case in 1939 and 1940 when the title of the song “The Man Who Broke the Bank at Monte Carlo” was used for a movie of the same title. The Court held that no permission was needed from the copyright holder for the song in order to make a movie of the same name.

Titles may be trademarks and may be protected by a suit for passing off if it has a market reputation and is descriptive. Using a similar look, font and cover with a title which alone would not be protected could lead to liability.

Requirements for Copyright Protection

Originality

To be protected, a work must be original. It must originate from its author. It must not be exactly copied from another work. It must involve some intellectual effort. It does not have to be novel or not obvious, as does a patent.

Fixation

Generally speaking, a work will usually have to be fixed in some material form. The Act does not specify this as a condition, but some case law has. Being reduced to writing or videotape obviously fixes a work. However, it is arguable that oral works such as sermons may be protected, although not fixed in a physical form. Certainly, things such as databases, which may be constantly changing and are therefore arguably not “fixed”, are still generally protected, provided they have the requisite element of originality.

Connection with Canada

Works created within Canada are clearly connected. However, protection is extended much further than that. There have been a number of international treaties and agreements over the years.

NAFTA gave rise to a requirement for more clear criteria for what was required to attain protection. In 1996, Canada implemented the *Agreement on Trade-Related Aspects of Intellectual Property Rights* (TRIPS). This means that a work will be protected by copyright in Canada if, at the time of creation of the work, the author was a citizen, a subject, or ordinarily resident in a country subject to the Berne Convention, the Universal Copyright Convention (UCC), or the World Trade Agreement (WTO) or the Commonwealth. If a film-maker has an office in one of those countries, that work is protected as well.

Virtually any country of consequence belongs to at least one of those organizations or has signed one of those treaties. Previously, the country of origin was much more significant, since if the work were created in a country not recognized, it fell into the public domain in Canada, and was not protected.

Ownership of Copyright

If the author or creator of the work is doing so in the course of their employment, then generally the copyright will belong to the employer. If the author is doing so in the course of working as an independent contractor, the presumption, depending on the circumstances, will generally be that the author still owns the copyright. Both of these presumptions can be varied with a written agreement detailing the relationship between the parties. The difference between an employee and an independent contractor can be difficult to tell, particularly where there is no written agreement.

This can become a significant issue in the area of programming computers and Web sites and creating the content to be displayed on the Web. Typically such activities are carried out without any written agreement, and the result is often not what was intended by the person paying to have the work carried out. The person hiring the programmer may assume they will own the copyright only to find out they have bought, at best, permission or a non-exclusive license to use the work for their own limited purposes. The only adequate means to ensure such confusion does not occur is to insist on a written agreement before any work is done.

Moral Rights

These are separate rights from copyright *per se* and can be enforced legally. In Canada, they last for the same term. Conceptually, an author's work is an extension of the author and should not be subject to attacks on its integrity. There are basically three moral rights: attribution, integrity and association.

The author has the right to have the work attributed to them. An author can choose to remain anonymous, to have their name associated with the work, or even to use a pseudonym, as long as it is "reasonable."

The author's right of integrity protects the author from having the work being "distorted, mutilated or otherwise modified." This applies only if it injures or prejudices the author's reputation, image or honour.

Finally, the author may also have some control over use of the work in “association with a product, service, cause or institution.” Again, this is enforceable only if it prejudices the author’s honour or reputation.

The Berne Convention also provides for prevention by an author of “derogatory action.” In Europe, some legal systems provide authors with a right to prevent excessive criticism of their work. We have no exact equivalent in Canada, although the law of defamation (slander, libel, etc.) might apply.

Moral rights cannot be sold or assigned. However, the Act allows them to be waived.

Rights of the Public to Use Copyrighted Works

There are a number of exceptions to copyright. Copyright law is not to be allowed to become an instrument of oppression and extortion. Case law has limited its effect by a number of legal devices, including implied license, implied waiver, public policy, etc. One of the more significant exemptions and exceptions is Fair Dealing. For the purposes of private study, research, criticism, review or newspaper summary, anyone may use protected material, provided the source and the author’s name are mentioned. What is fair dealing is a question of degree. Copying the entire work is not fair dealing, but copying suitable portions of it may be.

Plagiarism may consist of copyright infringement, but if it’s just a taking of ideas and rewriting them in a new form, it’s usually not infringement. I’ve heard it said that when you steal from one person, it’s plagiarism; when you steal from many, it’s research (and I don’t know who should receive credit for that saying).

There are also provisions for payment of fees for copying under certain circumstances. For example, we have performing rights societies, which collect royalties for public performances and organizations like CANCOPY which collect fees for permitted copying.

INTEGRATED CIRCUIT TOPOGRAPHY

There is protection for integrated circuits under the Canadian Integrated Circuit Topography Act. The Act is modeled on the American legislation. Basically, the Act was felt to be necessary since the etching of a circuit was felt to be too machine-like to be protected by copyright, and yet too much like writing to be afforded patent protection.

As with patents, registration is required and the registered owner is granted an exclusive right to make, reproduce, import and commercially exploit the circuit or any substantial part. Originality is required, but it’s not a very high standard. A circuit is defined as original if it has not been copied from another topography and is not commonplace within the industry. The period of protection is the earlier of ten years from the date of first filing in Canada or first use in Canada or anywhere in the world.

INDUSTRIAL DESIGNS

The Industrial Design Act was originally enacted in 1868. The current definition of industrial design in the act is: “features of shape, configuration, pattern or ornament and

any combination of those features that, in a finished article, appeal to and are judged solely by the eye.” Solely utilitarian features or methods of construction are not protected. It applies not only to designs on an article, but to the design of the article itself, insofar as it is ornamental and not due to functionality. The only common law protection for a design would be as a trademark. Registration is therefore necessary and gives a period of protection of five years. Application to register must be made within one year of publication of the design.

DIGITAL PROPERTY

As if the whole field of intellectual property weren't complex enough, digital technology adds new dimensions. A few notable points follow, although a full consideration of this topic is another paper (or a book or two).

Copyright protects digital property, whether it is a literary or artistic work, or a dramatic work, cinematographic production or a screen play. The fact that it is fixed in digital form does not generally make a difference to the way it is viewed by the law. However, it makes a large difference to how easy it is to copy. Anyone who has ever visited a graphically rich Web site and right-clicked on a .jpg file knows this. Napster is only one of many examples of technology allowing copying and distribution on a massive scale.

This is one of the fundamental legal issues of the digital age – how do you protect digital works from being illegally copied and distributed? What implied licenses must exist to make the system workable? In an age of anonymizing technologies, how do you track down an infringer? What if the infringer is halfway around the world?

At the same time, domain names (which are a new type of “intellectual property”) and trade-marks are colliding head on in what can be summarized as:

.com v. TM

Remember, domain names are global and alphanumerically unique. There can be only one swanson.com or swanson.ca.

Trademarks are generally regional and at most national, unless they have become nearly global by long standing and wide spread use, or registration in many countries, or both, such as the Coca Cola's and McDonald's of the world. There can be many businesses using the name Western – Western Trucking, Western Booksellers, Western Wholesale, etc., and the identical name can coexist in different geographical markets. However, there can be only one western.com, which of course leads to friction as the demand for the best domain names increases.

CONCLUSION - PROTECTING YOUR INTELLECTUAL PROPERTY

Protecting Trademarks

- In order to protect a trademark, you should consider registration to obtain national protection
- You may want to register in more than one country.
- Whether or not a mark is registered, it is imperative that you use it constantly and consistently in connection with your business, product or service in order to build up and maintain its image in the public mind.
- You cannot just ignore infringing conduct – doing so will result in the trademark being diluted. If registered, its registration may be expunged. If not registered, you may not only be unable to stop a competitor if you delay, the competitor may build up superior rights to yours.

Protecting Patentable Devices, Processes or Concepts

- If you have something in this area that you believe may be of commercial value, the first step is likely to be to determine whether or not it can or should be patented or can or should be protected as a trade secret, bearing in mind the comments above.
- If you choose to go with a patent, you will incur the expenses of registering and maintaining the patent but you will be in a good position to stop anyone infringing.
- If you choose to keep it a trade secret, you will have to be exceedingly careful to protect it appropriately and you must always bear in mind the risks of disclosure.
- If in doubt, use a good non-disclosure (NDA) or secrecy agreement. Bear in mind that in some situations, refusal to sign one will be a real red flag. In other cases, there are legitimate reasons why signing may be refused. For example, venture capital firms see hundreds of ideas in confidence, but such firms may refuse to sign non-disclosure agreements. Why? Because they see so many ideas they could never keep track of them all. One of those might have been independently developed, but may infringe on an idea they previously signed – keeping track of it all is simply too onerous for most VC's.

Protecting Copyright

- As we have seen, copyright is automatic.
- In many cases registration may be advisable.
- Evidence proving your creation and the date of that creation may be crucial.
- Displaying the copyright symbol ©, while not mandatory, is certainly a good idea.
- In any event, it is important to keep available as much evidence as possible to prove you are the author and on what date the work was created.

Protecting Industrial Designs and Integrated Circuit Topographies

- In both cases, registration under the legislation is the preferred method of protection.
- Remember that an industrial design may also be a trademark and a circuit may also be subject to copyright.

Protecting Domain Names

- Obtaining a registered trademark with the same name as the domain name is always the preferred route.
- A reasonable level of protection may require registration in both Canada and the U.S., particularly with .com domains, since the primary registration mechanisms for such names is in the U.S.

Understand the Ownership Issues

- Employees generally don't own intellectual property they develop or create or improve upon in the course of their employment. With patents, the employee normally must be hired to invent before the employer will own any patentable IP.
- Outside the employment relationship, an employee may well be acting independently enough to own any IP they create.
- Independent contractors will generally be presumed to be the owners of any IP they develop, subject to implied waivers or licenses. This may be varied by a written agreement.
- Avoid any ambiguity by clearly establishing the relationship and an understanding right at the very beginning.

Get it in writing

- This can't be said (or written) often enough.
- Oral agreements may well be enforceable, but proving the specific terms of an oral agreement, particularly in a heated dispute, becomes very difficult. Memories of what the deal was can fade or become very selective.
- A written agreement becomes a *constitution* for the future relationship of the parties – *if in doubt or if a disagreement arises - consult the constitution.*
- The costs of having an agreement prepared may be much lower than the value of the lost property, or the cost of litigation, even if the litigation is successful.

This paper has been merely a general overview of intellectual property law in Canada and some of the many steps you can take to protect your IP. It is hoped that it is of some assistance. In the event that a specific problem or situation requires advice, the reader is advised to seek legal counsel with expertise in the area.

About the Author:

Jim Swanson was born and raised in southern Alberta and practices law with the TechCounsel group of the Parlee McLaws law firm, a full service firm of over 100 lawyers based in Edmonton and Calgary. Jim's practice focuses on Intellectual Property and Technology Law, with a particular emphasis on information, internet, web and computer technologies, E-Commerce, Cyberlaw, Internet and Globalization issues, dealing with matters such as Copyright, Trademark, Trade Secrets, Licensing, Computer Law, Business Law and the protection and commercialization of new technologies.

Jim is a former professional musician (keyboards) who became a computer buff in the late 1970's. He received a B.A.Sc. from the University of Lethbridge and graduated from the University of Alberta Law School with an LL.B. in 1983 (*Dean's Honor List*). He was called to the Alberta Bar in 1984. He is also

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Jim is a past president of the Alberta Civil Trial Lawyers Association (ACTLA). He spent five years as editor of ACTLA's newsletter, the *Barrister*, and, in 1996, he coordinated the design and implementation of the Association's Web site (www.actla.com) as part of his MBA dissertation.

In addition, Jim is a member of the Canadian Bar Association, the Edmonton Council for Advanced Technology (ECAT), the Intellectual Property Institute of Canada (IPIC), the Information, Communications and Electronic Technologies Alliance (ICET), the Licensing Executives Society (LES), and the Canadian Information Processing Society (CIPS).

Jim is a Bar Admissions Course Instructor in Business Law for the Legal Education Society of Alberta and the Law Society of Alberta and revised and authored the Intellectual Property section of the Bar Admission course. He is a member of the academic faculty of Athabasca University, in the online MBA program.