

IP



FOR STARTUPS

Content



- What is IP
- IP registration
 - Search
 - International registration
- Responsibility (in Russia)
- EU law amendments
- IP protection for startups



IP protectability

Patent

- Novelty;
- Application;
- Technical result.

Trademark

- Distinctiveness;
- Not misleading.

Copyright

- Everything expressed;
Except of information,
ideas, facts.

IP areas

Patent

- function

Trademark

- identification

Copyright

- expression

IP term

Patent

- 20 years (max) then public domain

Trademark

- 10 years

Copyright

- Lifetime + 70 years

Search

Patent

- http://www1.fips.ru/wps/portal/IPS_Ru#1536832684190
- <https://www.google.com/?tbm=pts>

Trademark

- http://www1.fips.ru/wps/wcm/connect/content_ru/ru/inform_resources/inform_retrieval_system/
- <http://www.wipo.int/madrid/monitor/en/#>

Copyright

- http://www.copyrus.org/katalog/katalog_copyrus/
- <http://www.wipo.int/branddb/en/>

Register your IP

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graph TD; A[Register your IP] -.- B[Patent]; A -.- C[Trademark]; A -.- D[Copyright];
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Patent

Trademark

Copyright

Applying for registration

Patent

- <http://new.fips.ru/podacha-zayavki/>
- uspto.gov/patents-application-process/filing-online

Trademark

- <http://new.fips.ru/podacha-zayavki/podacha-zayavki-na-tovarnyy-znak/>
- uspto.gov/trademarks-application-process/filing-online

Copyright

- copyrus.org/deponirovanie/
- copyright.gov/forms/

International application



- Search:
 - <https://patentscope.wipo.int/search/ru/search.jsf>
 - <http://www.wipo.int/branddb/en/>
- filling:
 - Applying to Rospatent;
 - Receiving priority date;
 - Applying to another country.
 - ✦ <http://www.wipo.int/pct/en/>
 - ✦ <http://www.wipo.int/madrid/en/>

Responsibility for violation



**IP RIGHTS
IN RUSSIA**

Civil liability



- The Civil Code of the Russian Federation
- Civil liability (Article 12, 1250, 1252, 1253, 1301, 1302, 1311 of Civil Code of the RF)
 - **compensation of damages to a person who illegally used the result of intellectual activity**
 - **payment of compensation from 10000ru up to 5,000,000 ru. instead of damages;**
 - **if a legal entity repeatedly or grossly violates the exclusive rights to the results of intellectual activity, the court may liquidate it at the request of the prosecutor.**

Administrative liability



- The Code of Administrative Offenses of the Russian Federation
- Article 7.12. Violation of copyright and related rights, inventive and patent rights
 - **Penalty from 1500 (physical persons)ru up to 40 000 (legal entities) ru**

Criminal liability



- The Criminal Code of the Russian Federation
- Art. 147 Violation of inventive and patent rights
 - **a fine of up to two hundred thousand rubles or in the amount of the salary or other income of the convicted person for a period up to eighteen months, or**
 - **obligatory work for a period of up to four hundred and eighty hours, or**
 - **forced labor for up to two years, or**
 - **imprisonment for the same period.**
- Article 146. Violation of Copyright and Related Rights
- - for plagiarism (assignment of authorship);
- - Illegal use of copyright or related rights;
 - **a fine from 2 hundred thousand ru up to imprisonment for up to six years with a fine of up to five hundred thousand ru.**

Modernization of copyright in the EU



Modernization of copyright in the EU



Tech giants must pay for work of artists and journalists which they use

Small and micro platforms excluded from directive's scope

Hyperlinks, “accompanied by “individual words” can be shared freely

Journalists must get a share of any copyright-related remuneration obtained by their publishing house

modernization of copyright in the European Union



**Small firms
protection &
freedom of
expression**

**Tech giants to
share revenue with
artists &
journalists**

**Fair pay for artists
and journalists;
encouraging start-
ups**

**Protecting
freedom of
expression**

**Wikipedia and
open source
software platforms
will not be affected**

**Stronger
negotiating rights
for authors and
performers**

<http://www.europarl.europa.eu/news/en/press-room/20180906IPR12103/parliament-adopts-its-position-on-digital-copyright-rules>

IP Protection



STEPS FOR STARTUPS TO TAKE

IP Importance to a Startup



- Put the world on notice that you own those rights by **registering** them, and by using the proper notice symbols on tangible materials that contain your IP (©, ® and Patent Pending).
- **Prevent** unauthorized third parties (infringers) from unfairly competing with you by reproducing your copyrighted works, using confusingly similar trademarks on their products, making/selling products similar to your patented products, or stealing your trade secrets.
- Use your IP rights **to generate revenue** by (1) directly **selling** copyrighted, branded, patented, or other proprietary products and services, or (2) **licensing** your copyrights, trademarks, patents and trade secrets to others in exchange for royalties.
- Build alliances with other companies to **develop and sell new** products and services by combining your IP rights with intellectual property owned by your strategic partners.

Engage an IP lawyer



- IP rights function like government-sanctioned monopolies, and that exclusivity can potentially make them very valuable.
- Intellectual property law is complicated and imposes requirements on IP owners to claim, protect and preserve their IP rights (and to prevent IP assets from falling into the public domain — i.e., available for anyone to use without the owner's permission).

Identify Your IP



- Make a comprehensive **list** of every business idea, invention, new product or service concept (or any improvement or advance to an existing product/service), potential product name, slogan, logo, business process, market or other proprietary idea that you think your startup owns and is unique and potentially valuable.
- Lawyer can help you figure out whether these ideas, concepts, inventions, names and business processes **qualify** as potential patents, copyrights, trademarks or trade secrets.

Make sure you own the IP



• Before you can determine whether your IP is protectable you'll need to confirm that your company actually owns the IP (and can continue to own it if things happen in the future):

- If you and your co-founders created the IP for your startup while you were **employed** by other companies, **check your employment agreements** to make sure that your prior employers do not have grounds for a potential claim.
 - ✦ If you developed your new business' ideas during work hours, or while using the prior employer's resources, you could be at risk.
- The startup should continue to own the IP even if one or more **founders split**. You don't want a former founder setting up an identical competing business. Ask your IP lawyer to draft a simple Intellectual Property Assignment agreement that ensures the company owns the IP even if the relationship turns sour.

Make sure you own the IP



- If your startup signed up customers or suppliers before hiring a lawyer (likely to save money), review those agreements.
- Ask your lawyer to read through all of your existing contracts to make sure that you haven't agreed to terms **that grant more IP rights** to your customers and suppliers than absolutely necessary.



Research Your IP



- Once you have a list of your startup's significant IP, you need to confirm the extent to which that IP **is unique and original** (and therefore legally protectable).
- Search the IP (patent, trademarks, copyright) records on the registering authority website to see if your invention (or something very similar) has already been patented. Then do a “prior art” search on the internet to find out if a non-patented version of your invention already exists.

Patent: Avoid Enabling Public Disclosure (EPD)



- Confidentiality is crucial for patentable inventions.
- Once an invention has been "publicly disclosed" by the inventor, she only has a year to file a patent application with the USPTO (The USA Patent organization).
- The legal concept of enabling public disclosure means you've publicized enough information about your product to permit someone else in your industry to copy it.
- Trade shows, demonstrations to potential investors, press releases and articles in trade publications can be particularly risky for triggering EPD if you're not planning to file quickly thereafter.

Trademark – importance of usage



- Non usage & abandonment - 5 years UK; 3 years in US.
- Trademark becomes generic - lost the right to sue other people (Aspirin, Google, Xerox);
- Trademark becomes deceptive (“Norwegian salmon” produced in China).

Protect Your IP From investors



- If pitching your startup to potential investors in an effort to **raise money**, you will need to **disclose** at least some of your proprietary information to them. To avoid any loss of your IP rights, be sure to:
 - Keep **records** of who has been given access to your private placement memo, business plan or slide presentations, and ask the potential investors to
 - ✦ (1) confirm in writing, through non-disclosure agreements (**NDA**s), that they will not copy or share such materials with others, and
 - ✦ (2) return or destroy all paper and electronic copies of the materials if they decide not to invest.
 - Distribute paper or electronic copies of your investor materials only to a limited number of pre-screened potential investors and their advisors.
 - ✦ The fewer copies in circulation, the better.

Protect IP From Employees and Contractors



- To prevent employees and consultants who work for your company from stealing your valuable IP assets and disclosing them to competitors (or starting their own businesses to compete with you), you'll need them to sign **NDAs** to keep company information confidential, that is, not disclose company information to third parties.
- The agreements should also include an acknowledgment that all rights to the inventions or copyrightable material created by them while working for your company are automatically transferred to, and **owned** by, your company.
- (Your lawyer can draft an employee/consultant agreement template for you.)

Protect Your IP Globally



- Many startups fail to recognize the importance of protecting their IP rights outside of their country.
- While applying for a patent in the RF, is the right place to start, startups need to consider an international patent strategy if they believe their inventions will eventually be sold in other countries. As part of that strategy, startups should consider filing an international patent application under the provisions of the Patent Cooperation Treaty (PCT.)
- A patent application via the PCT provides protection in over 100 countries for up to 18 months to allow for patent filings in those countries where protection is sought.

Consider a Provisional Patent Application



- A provisional patent application is a document filed with the registering body that establishes an **early filing date** for the subsequent filing for a non-provisional utility patent. It also allows for the applicant use the term “Patent Pending” in documents describing its invention.
- Filing for the non-provisional patent must be done within 12 months of the provisional patent application. A provisional patent application requires inclusion of a specification, but is filed without a formal patent claim, oath or declaration, or information disclosure statement.

Filing priority for trademark



- The priority of a **trademark in Russia** is based on filing date of the application and no evidence of use is required when deciding to **register the trademark**. <https://rupto.ru/ru>

Maintaining your Company IP



- Pay maintaining fee.
- Upgrade your invention.
- Provide certain maintenance documents with the registering body.
 - Update any business owner or correspondence contact information changes – address, name, etc.

Next



- Crypto-currency legal regulation
- ...the legal nature of Crypto-currency mining

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