

HOW AN AGENCY CAN PROTECT ITS INTELLECTUAL PROPERTY RIGHTS

By Heidi Bruce, Principal

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Intellectual property (or IP) can be an advertising agency's biggest asset. Even now with an agency's 'bread and butter' work spreading into other more complex areas, IP is still at the heart of everything an agency delivers. Agencies are increasingly developing concepts outside the lines of traditional advertising, such as new technologies or product innovations and this raises new opportunities for collaborative relationships as well as different considerations for IP. There are still many misconceptions out there about what IP is and how it works. Here we talk about the different forms of IP, how an agency can protect its IP rights and maximise this value.

Copyright

Copyright is still the jewel in the crown of IP law. In Australia, copyright arises automatically when a work is created - there is no system of registration for copyright here. Copyright exists in a variety of works, like scripts, storyboards, photographs, artworks and software. The general rule is that copyright is owned by the creator - so the author, photographer, artist, software developer etc. However, if a work is created by an employee of an agency, then the agency will own the copyright. Copyright can also be assigned by agreement, so it is important to check your client contract as it may set out that copyright in certain works is owned by the client upon creation or payment.

Agencies are more commonly becoming involved in creating digital and software related works which are protected by copyright. The programming language used (eg C++, Java) will obviously not be owned by the agency, however an application using that language is protected as a copyright work.

There may be different items related to one project that attract copyright. So in the case of a software project created by an agency, it will own copyright in the following material (which may be assigned to a client):

- presentation materials, written rules or specifications, diagrams, formats, scripts or layouts, manuals,
- any video or recordings,
- photographs, images, artwork,
- software, source code, applications or tools,
- user interface, designs, screen imagery and layout, etc.

Importantly, there is no copyright in an *idea* as copyright only protects works in material form, so an idea for a film would only be a copyright work once it is written into a script. If someone were to use the same basic idea, but create something different, or make tangible changes to how it is executed, then this may not be a breach of copyright.

Confidentiality

When an idea is still in concept form, the main type of intellectual property an agency can use to protect it is the law of confidential information. If you share a concept with a person and you make it clear this is in confidential circumstances, then that person is automatically bound by a duty to keep the information confidential. This does not need to be confirmed in a contract. It is however crucial that you make it clear at the time of disclosure that the information is confidential.

The strongest way of establishing confidentiality is to have the other person sign a non disclosure agreement (NDA). The NDA can reinforce the remedies and set parameters for how the information

may and may not be used. Contrary to popular belief, an NDA is not essential and may not be workable in some situations, such as a pitch. Another way of setting up confidentiality is to include a written notice, for example on your pitch materials, that states the material is strictly confidential and owned by the agency and that the agency reserves its rights. It is important to be cautious with who you discuss your confidential information with, and to ensure they sign an NDA or are shown a confidentiality notice as above.

Confidentiality protection no longer applies once a concept enters the public domain. So if someone were to come out tomorrow and publish the same concept, or if you were to advertise your campaign in the press, then you lose your confidential information rights.

Note that if you have a contract in place with a client, this may regulate the ownership of concepts differently. For example, client agreements can commonly state that the client owns any concepts you deliver in the course of the services, although agreements can have carve outs for unused concepts and for pre existing work developed by the agency outside the services. If there is a contract but you want to retain special rights for a concept (for example a unique technology or product idea), then you may need to communicate to the client that this will fall outside of your contractual arrangements on IP before presenting the concept, and include a confidentiality notice on the material.

Trade Mark

An advertising agency can also rely on trade mark protection for brand names, taglines and logos. A trade mark application is a powerful way to protect and maximise IP rights and prevent others from using a similar brand name, tagline or logos for related goods or services. A trade mark can also be licensed (or assigned) to third parties and so is valuable form of IP.

If a brand name, tagline or logo is created by the agency for a client, then the trade mark application will generally be filed in the name of the client, but the agency can help facilitate this process. If the agency wants to own the trade mark and potentially transfer or licence it to others, then a trade mark application in the agency name can be a valuable way of shoring up IP rights. Once a trade mark application is filed, the owner has priority over all applications filed after that date.

An agency should in any case, as best practice, conduct trade mark searches at the outset to ensure a trade mark that it proposes to a client is available for use. There is nothing worse than a client falling in love with a tagline only to find out it is owned by someone else, except of course going to market with that tagline and being hit with a trade mark claim! These can be prevented easily with a simple trade mark search.

Patent

A patent is a form of IP protection for an invention or technological advancement with a specific novel function. Patents can be relevant for technology based inventions. Patents are an expanding area coming up more often these days in advertising as both agencies and clients seek to innovate and be at the forefront of new technology. One key point to be aware of is that a patent application must be filed before the invention is published – so if you are considering patent protection, it is best to save the public launch of the invention until after you have applied for the patent.

Passing off

Passing off is a powerful legal option in the IP arsenal for advertising agencies. Once you have commenced use of a concept in the market and established a reputation, then you may be able to prevent others from doing something very similar with a legal claim that they are 'passing off' on your goodwill. Passing off claims can prevent others trading off your name and reputation in a way that falsely implies an association with you. So if an advertiser were to come out with a campaign that had a very similar theme, format, look and feel, and / or name, (and yours had a reputation in the market) this could be a passing off. The more distinctive and popular your product or campaign becomes, the stronger your rights.

Rights owned by others

Work developed inhouse by an agency will be owned by the agency. As stated above, different considerations may apply if the agency develops material in the course of providing services to a client and there is a contract assigning IP to that client. So please ensure that if your staff are creating materials

that you want to be owned by the agency, (such as a novel piece of technology), they should do so in general agency time, and not while being billed out to a particular client.

Also, the agency will not own material created by third parties, (eg third party or open source software, contractors, producers or freelancers). If materials are created by third party contractors or freelancers you should have agreements in place with them assigning IP to the agency. This does not happen automatically because you pay for it and commission the work – this is a myth! Agencies should check their supplier agreements to ensure they include an IP clause that gives a clear assignment of IP to the agency, and that considers how supplier material and third party material will be handled. It is crucial to cover off intellectual property rights before the work is created or a collaborative venture gets underway, so lock down your contracts early.

Contact us

If you would like further advice about intellectual property rights for your next project, please contact one of our experts below.

Heidi Bruce
+61 2 8935 8806
heidi.bruce@anisimoff.com.au

Leanne Jezercic
+61 2 8935 8805
leanne@anisimoff.com.au



www.anisimoff.com.au



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