WINTER 2005/6 ISSUE 13

IP REVIEW

IP CONVERSATION

THE IDEAS GENERATION

How Scotland's new Intellectual Assets Centre is helping today's business exploit the unique value of their intangible assets

FEATURES

Find out how patent analytics helped one attorney firm acquire IP work worth one million dollars a year

WE REVEAL THE 10 QUESTIONS CEOS WILL BE ASKING ABOUT IP IN THE NEXT FIVE YEARS

Discover how IP management software could earn your business a discount on its liability insurance

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Published on behalf of CPA by
Think Publishing, The Pall Mall Deposit,
124-128 Barlby Road, London W10 6BL
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IP Review is printed four times a year by Friary Press on 130 gsm magno satin, a woodfree coated paper that is 100% chlorine free using pulp from sustainable forests and is totally recyclable.

US EDITION
Application to mail at Periodicals Postage Rate is Pending at Rahway NJ Postmaster, please send address corrections to IP Review, c/o Mercury International Ltd, 365 Blair road, Avenel, NJ 07001.

IP REVIEW

A new look for 2006

Welcome to your new and improved edition of *IP Review*, CPA's quarterly magazine about the world of IP. It's been an exciting few months preparing this larger, more contemporary version of the magazine, and we hope you enjoy the results. As you'll see, we've introduced quite a number of new features and brought in some top-rate writers to offer their opinions on the latest trends and developments in our growing industry.

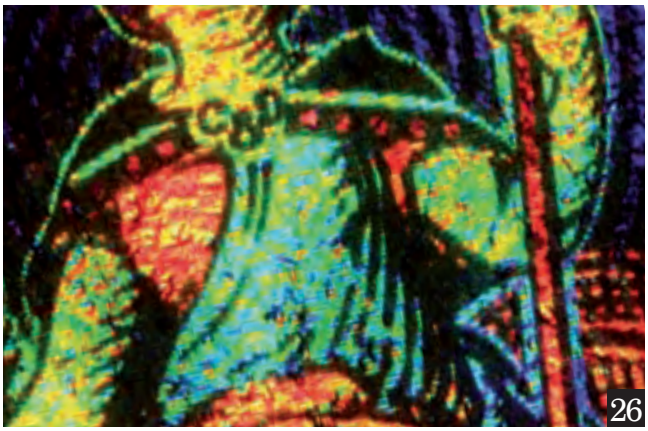
However, *IP Review* hasn't simply evolved in terms of its design and editorial content: in February 2006, we will be launching IP Review Live, a ground-breaking new conference focusing on the 'Business of IP'. This essential two-day event will explore the future trends of IP, providing the answers to the 10 key questions that company CEOs will be asking in the next five years. Keynote speakers from a wide range of backgrounds and industries will be passing on their expertise and advice, while private practice attorneys, in-house counsel, academics, IP journalists and representatives from government bodies will be on hand to offer a practical perspective on how best to correlate business and IP strategy. To book your place at this exciting new event, turn to page 32 for the conference programme and reservation details, or contact Charlotte Presse at cpresse@cpaglobal.com.

Finally, we are always eager to hear your thoughts about the magazine and your opinions on the latest developments in the IP industry. If you have a comment on the magazine or would like to contribute to a future edition, turn to page 5 to discover three ways of getting involved this issue or write to the editor at ipreview@cpaglobal.com.

I hope you enjoy the new-look magazine.

Peter Sewell,
chief executive officer, CPA

'IF YOU HAVE A COMMENT ON THE MAGAZINE OR WOULD LIKE TO CONTRIBUTE TO A FUTURE EDITION, TURN TO PAGE 5'



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DR STEFAN SCHOHE is a patent and trademark attorney and partner at Boehmert & Boehmert in Munich, Germany. His particular interests relate to the computer field, especially software-related problems. He examines the debate about software-related patents on page 7.

DANIEL GREENBERG is a South African attorney who specialises in IP at Adlex Solicitors. Co-author of the South African textbook *Cyberlaw@SAII*, he continues our series on IP practices around the world with a look at legislative systems in South Africa on page 20.

If there is a topic that you would like to see featured in *IP Review*, please contact the editor at ipreview@cpaglobal.com.

DR RALF SIECKMANN is a European patent, trademark and design attorney at Cohausz, Dawidowicz, Hannig & Sozien in Düsseldorf, Germany. He continues our series on unusual IP with a look at protecting holographic devices as trademarks on page 26.

BENEDICT ELY is trademark business manager at CPA. He is a qualified solicitor and has practiced as an IP lawyer for 10 years. In an extract from CPA's recent white paper, Benedict takes a look at the latest trends in the pharmaceutical industry on page 34.

GET INVOLVED

INDUSTRY MONITOR

Every issue we are going to be asking you three killer questions that will reveal how you, the experts, manage your IP portfolio. This issue's industry monitor is focusing on the business of IP. The results will be published in the next edition of *IP Review*.

1 How do you measure the value of your IP?
- in-house audit
- external audit service
- don't know

2 Is your company aware of its tax position with regards to its IP?
- yes
- no
- don't know

3 How do you keep up-to-date with the developments of your competitors?
- in-house research
- patent analysis service
- don't know

Please e-mail responses to mgosselin@cpaglobal.com by Friday 17 February 2006.

HAVE YOUR SAY

We would like to know what you think of *IP Review*, which is why we will be conducting an extensive piece of research to find out what you think about the magazine in early February. If you would like to take part in the study, please contact mparker@cpaglobal.com with your telephone details.

CONTRIBUTE

Articles in *IP Review* are written by experts, respected journalists, experienced attorneys from a global range of IP firms and academics leading the field in IP research. However, we are always on the lookout for new contributors. If you have a subject you would like to write about in the next issue, please e-mail the editor at ipreview@cpaglobal.com.

letters

Letters written to the editor will be answered by relevant experts at CPA, contributors or the editor and may be published in future editions. Send your letters to The Editor, *IP Review*, Think Publishing, The Pall Mall Deposit, 124-128 Barlby Road, London W10 6BL or e-mail them to ipreview@cpaglobal.com. Letters may be shortened or edited for clarity

EDITOR'S CHOICE

Recognising the value of invention

Getting researchers to think of their work in terms of inventions rather than discoveries is a critical part of realising the value of scientific work in the world's universities ('The business of science', *IPR12*). Putting systems in place to make sure that Notification of Invention occurs and is followed up is critical to this. Few academics believe any more that commercial exploitation is inherently corrupting, so they are willing to work with such mechanisms. But... why should they?

Ultimately, the difference between publishing a scientific paper and filing a patent is between scientific kudos and financial reward for the inventor. The paper is part of the classic career path for a 'pure' scientist: a very public announcement of their success in science. The patent is less public, less respected, but points more clearly at commercial advantage. But is that commercial advantage for them or for someone else? Sadly, the answer usually is 'someone else'. In the UK, academics almost never make more from their inventions through patenting or IP licensing than they do through publishing a paper, and the consultancy contracts that follow from being recognised as being a guru in their field. **William Bains, UK**

Kathryn Atchison from UCLA replies: It is not true that patenting offers little reward to the academic researcher in the UK. As an academic researcher I find that too stark. I believe that many scientists elect to file inventions because they have been disillusioned by the paucity of published findings that materialise into worthy products to improve life. For these scientists, the purpose of filing an invention is to take control and to see their research through to the ultimate intended product, not the difference in money raised through patents or consultancy.

editor's choice

The author of the 'editor's choice' letter will receive a MPM-202 Personal Media Station. A portable media device all your entertainment needs, the player records from TV, encodes movies from DVDs and also functions as an MP3 player and digital photo album.

The power of communication

I read with interest your article on the registration of sound marks (*IPR11*). As humans, we 'communicate' with the world through five senses (sight, sound, smell, touch and taste). We are all familiar with trademarks which protect communications through the senses of sight and sound. The sense of touch can be accommodated through 'product configuration' trademarks. We also know about the fairly recent developments in trademarks designed to address communications through the sense of smell. But can a trademark be registered to protect communications through the sense of taste? **Jon E Shackelford, USA**

Contributor Ralf Sieckmann replies: The registration of 'taste' trademarks face several problems. The first comes in illustrating that a taste can act as an indicator of product origin when only five taste impressions exist (sweet, bitter, salty, sour and umami, the taste of sodium glutamate.) The second challenge comes in presenting the non-visual sign graphically. At present, only US legislation allows for a non-visual mark to be registered without the requirement of graphical representation. However, even in the US, registration is only possible on the basis of acquired distinctiveness.

Keep up the good work

Just a word to say I think your publication is top notch: fine quality and useful information. I have a colleague who would like to be added to the list. Would it be possible to send them copies of future editions? **Mark Berger, UK**

Emma Jones, editor, replies: We are always happy to supply issues of the magazine to readers working within the field of IP. If any other colleagues or associates would like to receive a free annual subscription, please fill in the reader reply card in this issue of *IP Review* or e-mail Michaela Gosselin at mgosselin@cpaglobal.com. You can also download back issues of the magazine at www.cpaglobal.com, by selecting 'About CPA'.

holograms

The next generation of trademarks?

HOLOGRAMS HAVE BEEN USED FOR DECADES AS SECURITY DEVICES AGAINST COUNTERFEITING IN THE FIELD OF CREDIT CARDS AND BANK NOTES. BUT DOES THIS MAKE THEM ELIGIBLE FOR TRADEMARK REGISTRATION? **DR RALF SIECKMANN** CONTINUES OUR SERIES ON LESS CONVENTIONAL IP WITH A LOOK AT REGISTERING AND PROTECTING HOLOGRAMS AS TRADEMARKS

Advancements in photography in the mid-twentieth century introduced holograms to the IP world. Hungarian physicist Dennis Gabor patented the process of recording an image in three dimensions in 1948, but the use of holography did not really advance until the invention of the laser in 1960, which allowed the holograms to optically store and retrieve the three-dimensional objects captured. Traditionally the domain of anti-counterfeiting activity, businesses have been using holograms for decades to distinguish their products from fakes. But does this make them eligible for trademark registration?

In theory, trademark legislation should allow for such registrations, provided that the mark is distinctive enough to be used by a business to uniquely identify itself and its products and services to consumers. The difficulty arises in the method of graphically defining the mark in trademark registrations. Holograms by their very essence are difficult to capture in paper form, because the paper print will not be able to show the movement of the images. The image may work electronically, but on paper, the published mark will only be a substitute of the mark itself; a figurative mark which needs graphical representation and adequate written description if it is to succeed. Applicants wishing to register their hologram as a mark should therefore seek to describe the hologram in as much detail as possible, providing visual views of the hologram in various frames with descriptions of angle and appearance.

A case for the EU

In the EU, procedures for registrations of such 'non-traditional' trademarks were laid down more resolutely thanks to the 2002 Sieckmann case (Sieckmann v Deutsches Patent- und Markenamt). It established that a trademark could consist of a sign which was not in itself capable of being perceived visually (for example, a scent or a noise), provided it could be represented graphically. Applicants for holographic trademarks should therefore seek to demonstrate that the sign is: clearly and precisely identifiable, and therefore self-contained, easily accessible and intelligible, as well as durable, unequivocal and objective. They should also use high-resolution frames avoiding fading or picture overlapping, as the European Court of Justice (ECJ) does not allow descriptions of the visual effects alone.

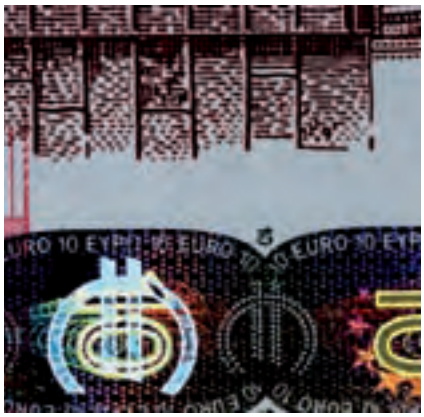
Marketing the right

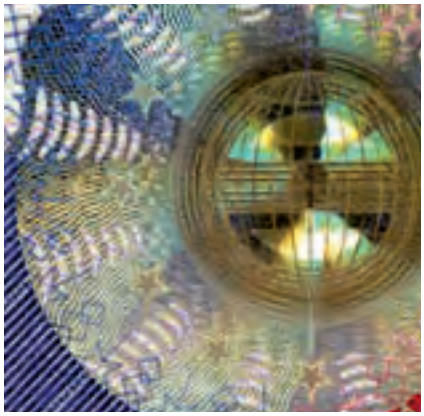
In comparison, US trademark practice requires a company to prove customer recognition of the holographic device they are seeking to register. The US trademark manual for examination states that a hologram used in varying forms does not function as a mark in the absence of evidence that consumers would perceive it as a trademark. In a case brought by Upper Deck Company in 2001, the Trial and Appeal Board held that a hologram used on trading cards in varying shapes, sizes and positions did not function as a mark, because the record showed that other companies used holograms on trading cards and other products as anti-counterfeiting devices, and there was no evidence that the public would perceive the applicant's hologram as an indicator of origin. The Board noted that: 'the common use of holograms for non-trademark purposes means that consumers would be less likely to perceive the applicant's uses of holograms as trademarks.' Therefore, in the absence of evidence of consumer recognition of a mark, the examining attorney should refuse registration.

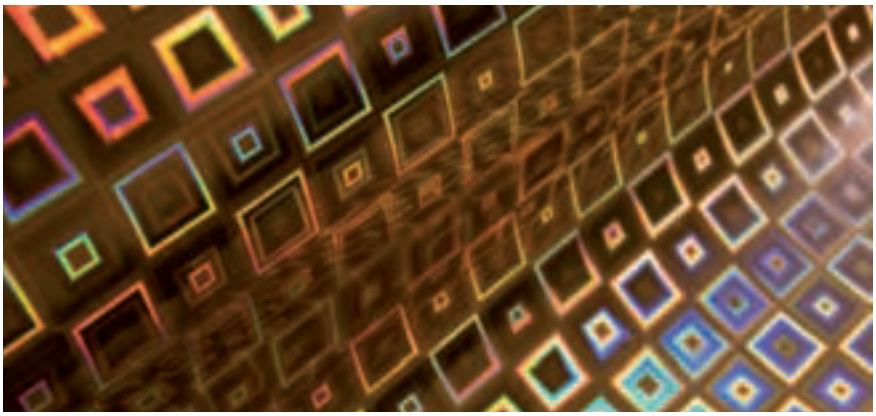
DR RALF SIECKMANN IS A EUROPEAN PATENT, TRADEMARK AND DESIGN ATTORNEY AT COHAUSZ, DAWIDOWICZ, HANNIG & SOZIEN IN GERMANY





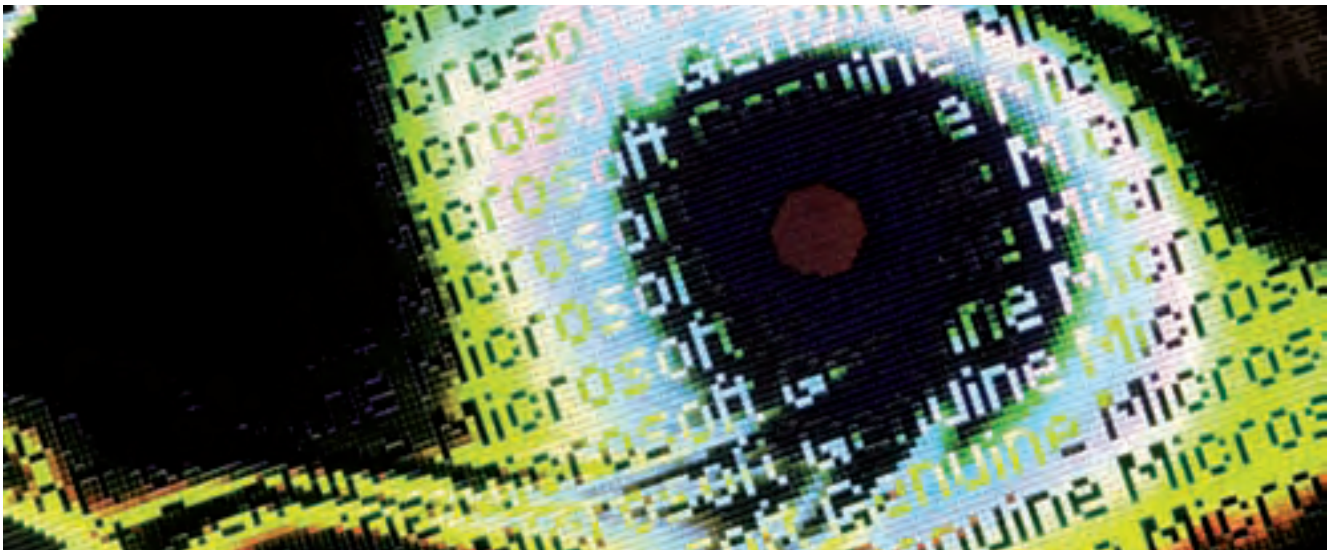


PAUL RAPSON/ALAMY; PAUL MAYALL; ROBERT KAWKA; TOM MASSUNG; BARRY RAYNEL; BARRY TURNER; KEITH GLOVER; LINO WCHIMA

Left to right from top: Security hologram on a British £10 banknote; Shakespeare hologram on a British bank card; New Zealand's first holographic stamp; dove hologram on a British Visa Card; Britannia on British £20 banknote; detail on a €10 banknote; disk surface hologram reflecting angled light; detail of holographic device on Australian passport; silver print hologram on the wrapping of Dior Addict; holographic wrapping paper.



KRYS BAILEY

The real deal: Microsoft uses holographic devices to protect its computer software from counterfeiters.

Similarly, an application by MasterCard to trademark its holographic device – two interlocking globes positioned beneath the MasterCard design – was rejected in 2002. As in the case of the Upper Deck Company, the US Patent and Trademark Office (USPTO) objected to its application, as a 'phantom mark', due to lack of perceived customer differentiation, and on the grounds of its vague description of the device to be registered. A new application by MasterCard is in the pipeline.

Companies that can prove their holographic device is distinct both in terms of design and customer recognition should find that their applications have more chance of success. In the last decade, the Office for Harmonization in the Internal Market (OHIM) has registered holograms for packages for cosmetics, video entertainment and cigarettes, while USPTO has registered several holograms for packages of cosmetics, foodstuffs, cigarettes and clothing.

An easier approach?

Companies which find such trademark registration procedures too restrictive could opt instead to register their holographic devices as international trademarks. In 2004, the French company Cool Shoe Corporation took such a route, filing an international trademark in France and extending it into other territories through the Madrid Agreement. The device – comprising a hologram mark representing spectacles in place of 'OO' in the word 'cool' for use in clothing and footwear – has since been filed in various countries under the agreement. Although objections were raised by some countries, they were, as usual, only based on elder trademarks and on the generic wording used to define goods.

This approach will only work in a country that has a liberate view on the registration of simple holograms, such as in France, Australia, the US and at the OHIM, and requires that the applicant firm is based in that country. Once registered, WIPO will simply duplicate the trademark as an international trademark. It is then up to the designated national offices to grant or reject protection under their national trademark regulations.

If such an approach does not work, a cheap, quick and simple alternative is to file a national or Community Design. Such designs can be registered on packaging, as a film or on other parts, provided the hologram is new or less than 12 months on the market. OHIM, for one, allows registration of animations and other designs containing movement, approving the registration in 2003 of an animation with a sequence of up to seven slides.

CAN I REGISTER A HOLOGRAPHIC DEVICE AS A TRADEMARK?

The ease of registering holographic devices varies by country. However, as a general rule, your application will stand a bigger chance of success if you adhere to the following rules:

- **Describe the hologram in as much detail as possible, providing visual views of the hologram in various frames with descriptions of angle and appearance.**
- **Study trademark legislation in your country of work. National applications in certain countries stand a better chance of success, and can be extended to become international trademarks.**
- **In Europe, applicants must also demonstrate that the sign is clearly and precisely identifiable with the product. This will show that it is self-contained, easily accessible and intelligible, as well as durable, unequivocal and objective.**
- **US applicants must also prove that consumers perceive the device as an indicator of origin. Without it, the device will be considered a 'phantom mark'.**
- **If trademark procedures prove too restrictive, a quick and simple alternative would be to file a national or Community design.**