

BIZMARK®

Because Trademarks Matter™

Securing companies' wealth through Intellectual property protection.



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IPs are real and valuable business assets. Their protection directly impacts the company's wealth. IP portfolio management must be part of the business plan, expansion and exportation strategies, and each IP must be carefully managed during its lifetime... and after as they can be sold!

VALORIZING IPS: A GENUINE WAY TO RELAUNCH THE COMPANY'S ACTIVITIES AND ACCESS FUNDS

Intellectual Property (IP) valorization is not exclusive to large companies. Although it may vary, the value of these assets is real and can be used to create strategic alliances, support a financial loan, or quickly access to liquidity. Regularly reviewing the IP portfolio enables the company to identify which IP(s) should be valorized to fulfill its need. Below is a simplified three-step method.

LISTING IPS

Registered IPs can be easily retrieved on the Canadian [Intellectual Property Office's Registries](#).

[The World Intellectual Property Office](#) offers global IP registries where member states enter locally registered or pending IPs. This site also provides direct links to local registries of each [Member States](#).

Noting each IP statute : validity of a patent and industrial design is limited and cannot be extended, although an industrial design may sometime be protected as a trademark, which registration is indefinitely renewable on a ten (10) year basis, while a copyright is valid during the whole life of the author and lasts 50 years after her/his death.

IDENTIFYING THE UNREGISTERED IPS

A company may ignore that it owns other strategic tools protectable as IPs. The enforcement of the new Trademarks Act in June 2019 allows registration of a wider range of distinctive signs, while a copyright is omnipresent in the company and an industrial design may be a substitute to a trademark protection. Below is a brief reminder of the different types of IP and the requirements to protect them.

Trademark : sign used to distinguish one's good or service from its competitors, may be composed of : letter(s), word(s), number(s), logo, slogan, company's name, business name, internet domain name, sound, hologram, moving image, scent, taste, three-dimensional shape, mode of packaging, texture, position of a sign, all of these with or without colour(s) and a colour per se.

Canadian trademark's rights are acquired through registration or Common Law rights if not registered but used. Continued use is mandatory to preserve the trademark's rights.

Do not hesitate to ask about the possibility of registering your distinctive sign. Crayola Properties Inc. recently filed the scent of its crayons ([1986544](#)), while the Toronto-Dominion Bank is seeking registration of the colour green for its services ([2015969](#)) and Starbucks Corporation the position of the green circle on its cup ([2009536](#)).



Starbucks Corporation
([2009536](#)) Position of the green circle on the cup

Copyright : literary, artistic, dramatic or musical work. It consists of the original text of the website, the logo of the company even if registered as a trademark, the original music heard while navigating the site, the texts handed over, etc.

Registration of a copyright is not mandatory but highly recommended, especially when the author is hired to create the work. In such a case, the company should buy the work from the author and register it as its own.

Industrial design : unique appearance or visual ornament of a good industrially produced. Once made public, the design may only be protected within 12 months from its divulgation. Otherwise, protection as a trademark should be considered.

Among common objects protected as industrial designs, there are hockey sticks, shoes, water bottles and even a chocolate bunny!



Industrial design ([186112](#))
Chocolate - Läderach
(Schweiz) AG

To be attractive for a potential partner, lender or buyer, the IP should be registered, and the secret have real commercial value. These recognized rights make it possible to exploit the asset on an exclusive basis to derive revenue from it.

Patent : genuine invention such as a product, recipe, amelioration of a patent, as long as it has not been published for more than 12 months before its filing. Usefulness and inventiveness are also mandatory.

A non patented invention can sometimes be secured as a trade secret.

Trade Secret : information that provides a competitive advantage such as a specific supplier, secret recipe or ingredient, method of manufacture, customers list and much more.

Its value lies on the ability to preserve secrecy. This asset cannot be publicly recorded, and internal policies must be put in place to preserve it. Where possible, it is not uncommon for companies to chose secrecy instead of a patent to avoid divulging the secret.

Coca-Cola's recipe is secret since more than 100 years!

VALORIZING IPS



There exist many ways to valorize an IP. Each method is unique and designed to serve the needs of the parties involved. Below are some examples.

Strategic alliance : accelerate the manufacture and marketing processes with partner(s) who have the facilities to manufacture the good, marketing know-how, distribution network, etc. in return of royalties.

Business partner : share costs, revenues and losses, if any.

License / franchise : provide your know-how, notoriety, goodwill and network to licensees in exchange of royalties.

Mortgage : give your registered IPs as collateral to banks and other lenders when their value is significant.

Sale IPs : registered IPs can be sold where they have a commercial value. Many websites allow IP auction.

INCREASING THE VALUE OF YOUR BUSINESS

When the business is about to be sold, registered IPs and trade secret(s) increase its value because of the exclusive ownership and exploitation guarantee they provide.

As IP registration proceedings may take many years, it is advisable to begin the process rapidly as a future investment. Indeed, it is not uncommon that a part of the amount of sale of the company is retained until the IPs are registered, or that the transaction is cancelled when they are not registered.

Hiring an IP professional to assist you with these proceedings is a wise decision. This professional has the knowledge to recognize the value of your IPs, the relevance of protecting them and advises on the best IP strategy that suits your needs.

This newsletter is not a legal opinion.

You are invited to contact your IP professional to deal with these issues.

ISABELLE DESHAIES is a registered trademark agent with the Canadian Intellectual Property Office and the World Intellectual Property Office. She specializes in international trademark and industrial design registration since nearly 35 years and developed an expertise in consulting, worldwide registration strategy and valorization of IP assets.

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