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Intellectual Property Law: An Introduction for NGOs

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Intellectual Property Law: An Introduction for NGOs

Scope

This primer sets outs the major areas of intellectual property law, including trademark, copyright, patent, and trade secret law, and identifies ways in which these areas of law could be relevant to charities and NGOs.

Trademark Law

A trademark is an identifier that distinguishes the goods and services of one company from those of another. Trademarks protect brand names and reputations from impostors.

To protect a trademark, an organisation generally must seek registration with trademark offices in the countries where the organisation operates. In some countries, registration is mandatory to obtain rights in a mark. In other countries, such as the USA, mere use of a mark may establish protectable rights, even if it is not registered. The registration of a trademark generally lasts as long as it is properly maintained. Registration periods vary by country, but in most countries registrations must be renewed every 10 years. Several international agreements make it possible to file a single application to register a mark in more than one country. Examples include the "European Union trade mark" (EUTM) in EU member states, and the "Madrid system" that offers a bundle of trademark registrations in 98 member countries, including Germany, France, and China, but not the UK, US and Japan.

Usually, it is permissible to use another's trademark when referring to that person or company's products or services. However, it is trademark infringement to use a mark that creates a likelihood of confusion with another's mark and its associated goods or services. Non-profit organisations occasionally run afoul of others' trademarks. For example, in 2000, a trademark dispute arose between two non-profit organisations. Deborah Heart and Lung Center Foundation operated a global outreach program, known as "Children of the World," that provided life-saving heart surgeries for children for nearly 30 years, although it had no registered trademark for that name. The Children of the World Foundation, which was two years old at the time and had a registered trademark for "Children of the World Foundation", also provided heart surgeries to children in need in Latin America and Eastern Europe. In this type of scenario, both organisations would be at risk of losing out on misdirected donations and possibly reputational harm. To help avoid confusion amongst donors or any other legal surprises, before adopting a mark, non-profit organisations should consider:

- Checking the potential mark(s) on relevant databases (e.g., in the United States, use USPTO's Trademark Electronic Search System (TESS); in Europe, use the EUIPO database);
- Looking up the potential mark(s) using a search engine (e.g., Google);
- Checking for domain name availability; and
- Consulting with a lawyer if there are closely related pre-existing marks.

Non-profit organisations may also use trademark enforcement to prevent deliberate tarnishing of an organisation's name by another. Consider, for instance, the People for the Ethical Treatment of Animals (PETA®) trademark battle with a "cybersquatter." Using the domain name www.peta.org, this meat-loving cybersquatter created a website entitled "People Eating Tasty Animals", a "resource for those who enjoy eating meat, wearing fur and leather, hunting, and the fruits of scientific research." Fortunately, the famous animal-rights group had registered its PETA® trademark and successfully retrieved the domain name. Trademark registrations have also been contested by non-profits. For example, in 2008, a coalition of the government of Kenya, the fair trade organisation Traidcraft Exchange, and the Cooperation for Fair Trade in Africa successfully blocked a British company's attempt to register "Kikoy" as a European trademark. That trademark, if granted, would have corrupted the East Africans' right to use the word "Kikoi," which is not only the name of a local fabric, a popular tourist product, but also a traditional cultural expression and an intellectual property asset in Kenya.

Copyright Law:

Copyright protects expression, such as that found in books, pamphlets, articles, computer programs, artwork, photographs, movies, music, and performances. Copyright is an exclusive legal right to produce, reproduce, publish, or perform such expression. While copyright protections vary from country to country, 172 different countries have signed on to the Berne Convention which requires that each member recognise the copyright protection for works created in all other signatory countries. Most countries' copyright laws share these features:

- A new expression is protected by copyright automatically, at the moment it is created;[1]
- The copyright holder is the author of that work or the author's employer, but the copyright can be assigned to others; and
- The copyright duration is typically the life of the author, plus an additional 50 years. In the USA and EU, the copyright duration is the life of the author plus 70 years.

Non-profits can face various copyright related issues, including questions of who owns the copyright when a volunteer or contractor creates a work that the non-profit uses. In such situations, it is important to have a clear understanding in advance of who will hold the copyright, and any assignment of copyright should be done formally, in writing and reviewed by a lawyer. For example, in Community for Creative Non-Violence v. Reid[2], a non-profit organisation dedicated to eliminating homelessness commissioned a statue for the organisation's Christmas pageant. The United States Supreme Court analysed whether the non-profit or the sculptor held the copyright for the statue and found that the sculptor held the copyright because he was not an employee of the non-profit, and there was no written agreement determining who would hold the copyright.

When is it Safe to Use a Copyrighted Work?

- Public Domain: Once a copyright has expired, anyone is free to use that work. The rules for whether a work has entered the public domain vary among countries, and it is best to speak to a copyright lawyer before assuming that a work is in the public domain.
- License: The copyright holder can grant permission (a license) to use the work, according to the specific terms of the license. Creative Commons has created a do-it-yourself licensing scheme for granting licenses to the public. The form licenses from Creative Commons are described below.
- Fair Use: Some countries allow some use of copyrighted work even without the copyright holder's permission. For example, the "fair use" principle in the USA allows copyrighted material to be used when it is done for purposes such as criticism, comment, news reporting, teaching, scholarship, or research. A determination of whether something is a "fair use" looks at the (a) purpose and character of use, (b) nature of the copyrighted work, (c) amount and substantiality of the portion used, and (c) effect of the use on the potential market for and value of the work. Similarly, the "fair dealing" principle in the UK allows certain use of a work for criticism, non-commercial research, and news reporting.

Creative Commons:

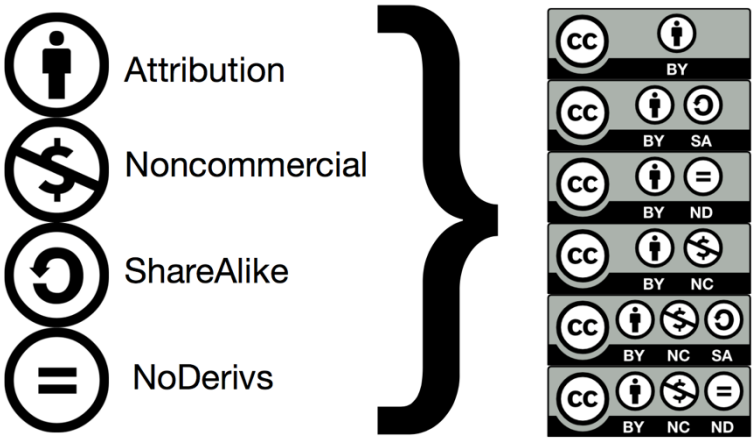
Creative Commons[3] is a common licensing scheme that allows selective waiver of rights that are part of a copyright. *See* https://creativecommons.org/.
Specifically, Creative Commons provides six different licenses that allow the copyright holder to determine the terms for which others are licensed to use a work. The six licenses are made from a combination of four different elements:

[1] Some countries do require additional steps in order to enforce a copyright. For example, the USA has strict rules concerning registration of a copyright and the timing of the registration before you can sue someone for infringing a copyright.
[2] 490 U.S. 730 (1989)

[3] Thanks to Diane Peters, General Counsel at Creative Commons for her comments on this section.

- Attribution: Allows others to use your work but requires that anyone using the work, attribute it to you and provide information about the licensing terms for your work – this is a condition of all six licenses;
- No Derivatives: Allows others to use the work in unmodified from, but not create derivative works based off your work;
- ShareAlike: Allows derivative works, but requires that anyone who creates and distributes a derivate to allow others to use the derivative work under the same license conditions as your original work; and
- NonCommercial: Prohibits others from using your work for commercial/money making purposes.

When combined, a suite of six licenses result:



Non-profits and NGOs can also use the Creative Commons licenses to license their own content. For example, Siyavula Education, a South African NGO, provides high school science texts that are made available through Creative Commons licenses. The texts are available at www.siyavula.com.

Patent Law

A patent is generally a set of exclusive rights granted by a country to an inventor or assignee (such as an organisation) for a limited period of time in exchange for a detailed public disclosure of a new and non-obvious invention, such as a new or improved product, process, machine, or design. An individual or organisation might obtain a patent to protect an invention from use by competitors or to commercially benefit by licensing others to use the invention in exchange for a fee.

A patent application can be filed with the appropriate patent granting institution in a country, such as the United States Patent and Trademark Office (USPTO). Certain international treaties or agreements, such as the Patent Cooperation Treaty (PCT), provide uniform or expedited procedures for filing patent applications in many contracting countries.

Procuring a patent can be an expensive process that takes years. Costs can vary widely from thousands to hundreds of thousands of U.S. dollars, based upon several factors such as the complexity of the invention and application, lawyers' fees, and the number of countries where patent protection is sought. In addition, a patent may incur maintenance fees over its term. Moreover, there are significant costs associated with commercialising or enforcing a patent. If a non-profit organisation has an invention and instead wishes for free dissemination of its idea, early publication of a detailed description of the invention may prevent others from obtaining patent exclusivity over it.

Non-profit organisations can be liable for patent infringement, which in many countries includes the unauthorised sale, use, or importation of a product or process that incorporates a patented technology.

For example, the One Laptop Per Child (OLPC) project, a non-profit that sold low cost laptops for use in classrooms in the developing world, was sued in Nigeria for $20 million in damages for patent infringement over the design of the laptop's keyboard.

Organisations can employ several tools to avoid infringement, including the following:

- A patent attorney/lawyer can help to determine whether a product or service would infringe a patent.
- An organisation can "design-around" a patent to avoid infringement, with advice from a patent attoney.
- An organisation can elect to license a patent. Some countries also allow for the compulsory licesing of certain patents, such as pharmaceutical patents.

Some non-profit organisations have challenged patents and patent laws, even under substantial personal or organisational risk. For example, the Treatment Action Campaign (TAC), among others, challenged the pharmaceutical industry in South Africa over patents and prices for antiretroviral drugs used to treat HIV/AIDS. TAC imported generic, cheaper versions of these drugs illegally, challenged patent licensing practices in court, and helped defend the South African government's implementation of generic drug importation laws against legal challenge by the Pharmaceutical Manufacturer's Association (PMA). TAC achieved success in both the court of law and the court of public opinion, and several pharmaceutical companies agreed to license the sale of generic drugs, reducing the cost of treatment.

Trade Secret Law

The idea behind protection of trade secrets is that companies taking reasonable steps to keep confidential information secret should have some protection from unauthorised disclosure regarding that information, even when they share the information with others (such as employees, business partners, and government agencies). Trade secret laws vary greatly from country to country, in both what constitutes a trade secret, and how it is protected. In some countries, misappropriation (or theft) of a trade secret is a criminal offence, whereas in some countries misappropriation of a trade secret is a civil issue, and in a few countries, there is no protection at all for trade secrets. All countries that are members of the World Trade Organisation (WTO) are required to have some form of trade secret protection. Generally, a trade secret must meet the following three requirements:

- It is secret (in the sense that it is not generally known);
- It has commercial value because it is secret; and
- It has been subject to reasonable steps to keep it secret.

Charities can hold trade secrets. For example, donor lists can constitute trade secrets when the non-profit maintains the secrecy of the donor list. In a case involving two different Alzheimer's disease research and support organisations, the first organisation had been a chapter of the second, parent, organisation. After the affiliation ended, the former chapter organisation sued the parent organisation, alleging that the parent had misappropriated the chapter's trade secrets by continuing to use donor lists generated by the chapter. The court found that the chapter had not taken adequate steps to keep its donor lists secret, and dismissed the misappropriation of trade secret claim. *Alzheimer's Disease Res. Ctr., Inc. v. Alzheimer's Disease & Related Disorders Ass'n, Inc.*, 981 F. Supp. 2d 153, 166 (E.D.N.Y. 2013).

What is the Difference between Trade Secrets and Patents?

- Patents involve public disclosure, while Trade Secrets must remain secret;
- Patents have a limited term of protection, while Trade Secrets do not;
- Trade Secret law does not provide any protection from another person who independently discovers the same secret;
- While patents only cover certain types of novel invention, trade secrets cover a broader range of information protecting things that are not patentable, like customer lists, and protecting information or discoveries that are not novel, but instead are not widely known.

If you would like more information about the subjects covered in this document or if your organisation is interested in receiving free legal advice by becoming a development partner of A4ID, please contact probono@a4id.org.