



COMPLETE IP NEWS

“Be Intellectual—Protect Your Property!”

Issue 5

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WHAT'S IN THIS ISSUE?

In previous issues, we have discussed different types of intellectual property, what they are, how to register them and the costs involved. But, what happens if you have a piece of intellectual property registered and you don't want or need it anymore? Your business closes, you have changed address or you want to sell or transfer your IP to a new owner? Well... read on and you will find the answers you need.

LICENSING OF YOUR INTELLECTUAL PROPERTY

Licensing of Intellectual Property is giving another party, or parties, the right to use the registered property, or part of the property, whether it be a trademark, patent, design or copyright. Usually a licensing document will be drawn up between the two, or more if applicable, parties to form an agreement of how, when and where they can use it. If you own the rights to a particular piece of IP, you can set up a standard licensing agreement on your website, for instance, so that anyone wishing to use your IP can agree to the terms of the license via your website. Alternatively, if your IP is not likely to be needed or used by multiple people, or the terms are different for each licensee, you can keep it on a much smaller scale and simply draw up agreements if and when they are needed.



Did you know?

Even if you own the IP and also the company that uses the IP, it is suggested you still have a licensing agreement in place so that if another party ever challenges ownership, you can support the structure of use by the company.

Companies in the field of computer programs and software, like Microsoft, tend to have licenses and agreements with their installation packages. When you purchase a program, you are also purchasing a license of such. You must agree to the terms and conditions outlined in their agreement in order to use their products and programs. Agreements such as the ones used by Microsoft are often referred to as '**non-exclusive licenses**' because they are not limited to one party and the terms are the same for all parties. Alternatively you can have an '**exclusive license**' which does not necessarily mean only one licensee, but that the owner has not and will not license the IP for the same rights or within the same scope to multiple parties. For Example, one type of **exclusive license** may give a party 'exclusive rights in Victoria' - so no one else can be given these same rights. However, an almost identical agreement may exist which is exclusive to someone in New South Wales.

ASSIGNMENT AND TRANSMISSION OF YOUR INTELLECTUAL PROPERTY.

If you or your company needed to pass the ownership of your IP onto another party, you would do so by

'Assignment or Transmission' of the rights. Basically this means selling or transferring your IP rights to another person or party. Once you assign your IP rights, you no longer control the

registered IP; the assignee would have the control. In short, the assignee becomes the new, registered owner. Assignment of IP rights may be needed if a business is sold. In the sale agreement of the business, IP may be included as a part of the sale. If the sale agreement includes the assets of the company, and the company is the owner of the IP, you would not necessarily need to assign the IP. Here are two situations, one that does

Remember: Once you assign the rights to another party, you are no longer the registered owner & therefore forgo your rights of ownership.

require an assignment and one that doesn't: If 'Company A Pty Ltd' was being sold in its entirety, and the IP was registered in the company name, then an assignment of the IP would not necessarily be required. This is because the IP is the property of the company already. A change in the directors does not require assignment or notification to the IP office. However, if the registered and recorded owner was an individual and that individual's business or company was sold, the IP may be assigned also (for a price), or licensed by the individual to the new owner, or simply not a part of the agreement at all.

We can assist with preparing and filing the correct documents with the government office to change ownership details of IP. Contact our office on 1300 365 715 to find out more.

WHAT ARE ROYALTIES?

Royalties are a payment received by the licensor for the use or right to use their intellectual property, including copyrights, trademarks, designs and patents. Royalties may be set on a percentage basis and calculated based on sales or, if you had a general licensing agreement that may be used by multiple parties, you could set a one time fee for those parties to use your intellectual property. A royalty based on a percentage of sales would normally be around 5-7%. It could be worked on a year by year basis, or month by month. The final choice would be up to the licensor.



Did you know?

If you do not need your IP registration any more, for reasons such as the closure of your business or you are no longer using a particular logo, you can simply let the registration 'lapse'. There is no legal requirement to cancel the registration or sell it. The IP registration will be removed if it not renewed within the specified time frame.

Choosing one method of charging royalties for all licensing agreements is often best. Royalties are a great thing if you franchise your business. You can still remain the owner of the registered IP, but license the use out to all the franchisees and gain royalties for them using and promoting the IP. Another advantage of retaining ownership of your IP is that you can continue to make money from it over your lifetime. This is achieved by including a royalty on the use of the IP in the agreement, rather than a 'flat price' for selling the IP rights and forgoing that control.

Companies such as McDonald's, Subway, Jim's Mowing etc... are likely to receive royalties for the use and promotion of their trademarks. This allows the franchisees to use and promote the name, and any logos that are associated with these companies.

Royalties are not legally required. If you do not want to attach royalties to IP, you do not have to. They are simply a way of making money from granting the use of your IP to others.

SELLING YOUR IP - DO IT RIGHT!

Intellectual Property, being trademarks, patents, designs and copyright, are saleable pieces of property. If you decide that you do not wish to continue using your trademark, for instance, you can 'sell' your trademark rights to someone else. You can choose to sell the rights in respect of all the goods and services that it is registered for, or only some of them. For example, you may have a trademark registered for clothing, nuts and wines. You may no longer wish to use or promote the mark in respect of wines, but someone is going to buy that part of your

business and would like to produce wine under that label. You are able to sell them the name and logo in respect of the wines only and keep the rights for the other products. The agreement can include the details of the IP being sold, and can have a monetary value placed upon it. We are able to assist in preparing these type of documents in relation to the transfer and / or sale of intellectual property. See the previous page for more information on 'Assigning' your IP. Or, contact our office on 1300 365 715.

Make sure that you are specific as to whether you are selling all of the goods & services or just some of them.


DON'T FORGET: If your postal address changes, make sure you advise your "Address for Service", as listed on your registered Intellectual Property. Your postal address needs to be kept up to date. As renewals are not required for many years, it is easy to forget about changing your address. Our office can effect any postal address changes with the government office for FREE!

Your International Intellectual Property needs the addresses changed too.

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SPECIAL OFFER

We are offering a **FREE** status report of all your trademarks. By providing this to you, you will be able to make sure that all details applicable to each trademark are still correct. If you or your business has moved premises in the last couple of years, you may have simply forgotten to update the postal details. Complete the form below and return for a detailed list of your trademarks, including the postal details of each. This **FREE** status report is available until 31st December 2007. Our office can effect any required changes with the government office **free of charge**. We can even become your 'Address For Service' if required, to ensure future renewals and notices are received.



Contact Name: _____

Company/Business Name: _____

Address: _____

Suburb: _____ State: _____ Postcode: _____

Email Address: _____

Phone: _____ Fax: _____

Please contact me by: Email Phone Fax

Trademark Numbers: _____
 (Or names) _____

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