

THE NEXT 100 DAYS

“Collectively, we will need to innovate our way out of the current situation and the decisions you make now are significant for the future of your innovation projects.”

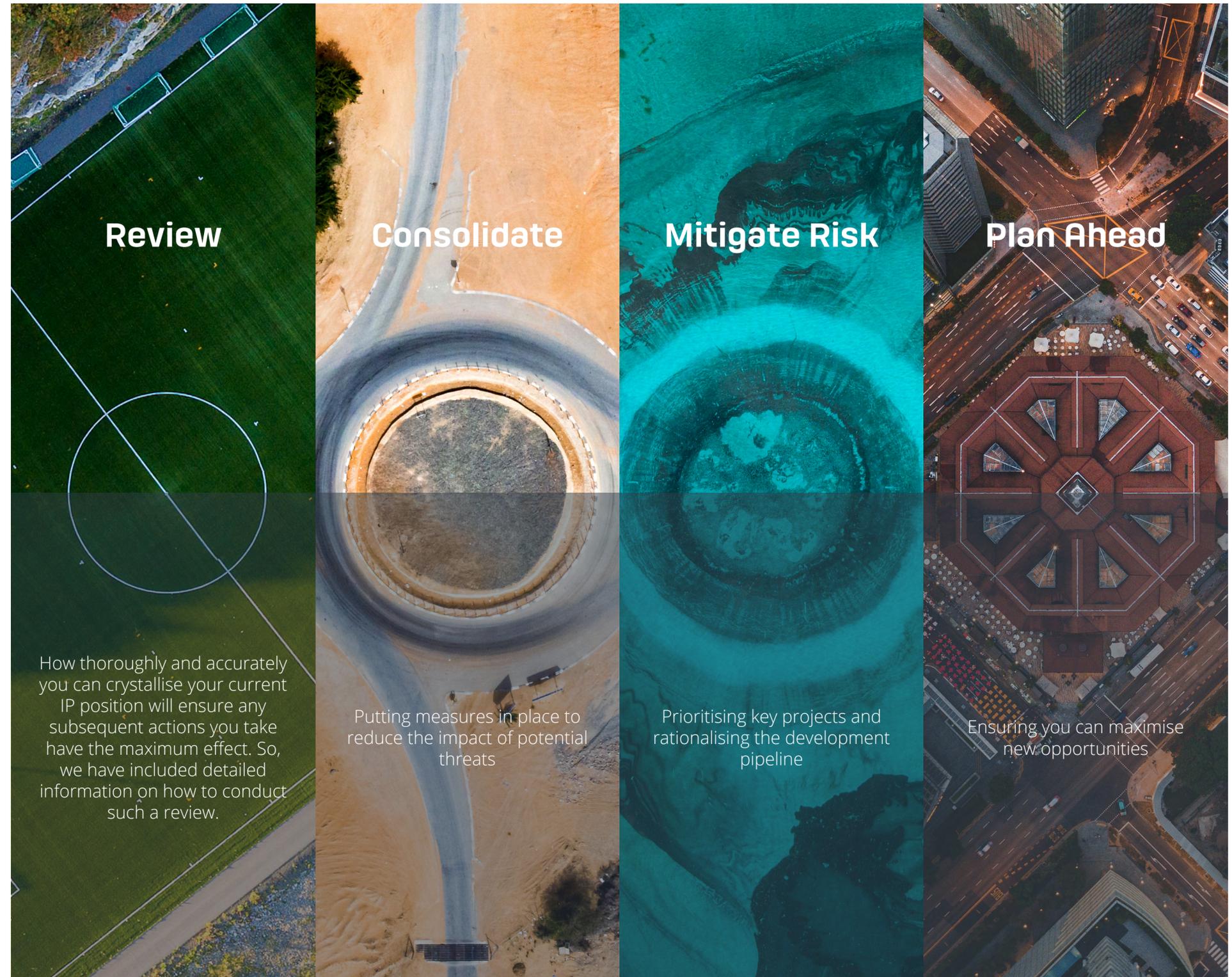
Steve Smith, Managing Partner

Introduction

As businesses around the world face difficult operational challenges on multiple fronts, this guide is designed to help you to align your shifting commercial goals with an effective approach to intellectual property.

It is focussed on the here and now. What do you need to be doing during the next three months to put your business in the strongest position to emerge from the current crisis?

We have divided this guide into four easy-to-digest sections, starting with the most critical phase – review. Once the review phase is complete, the actions we recommend fall into three areas – consolidate, mitigate risk and plan ahead.



Review

How thoroughly and accurately you can crystallise your current IP position will ensure any subsequent actions you take have the maximum effect. So, we have included detailed information on how to conduct such a review.

Consolidate

Putting measures in place to reduce the impact of potential threats

Mitigate Risk

Prioritising key projects and rationalising the development pipeline

Plan Ahead

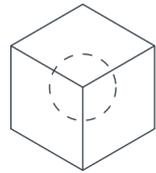
Ensuring you can maximise new opportunities



Review

Faced with an entirely different trading environment, the starting point is a thorough assessment of your current IP position.

To get an accurate picture of how the global pandemic may reshape your strategic IP priorities, we recommend focussing on the following six key areas:



Existing Assets

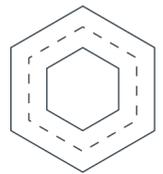
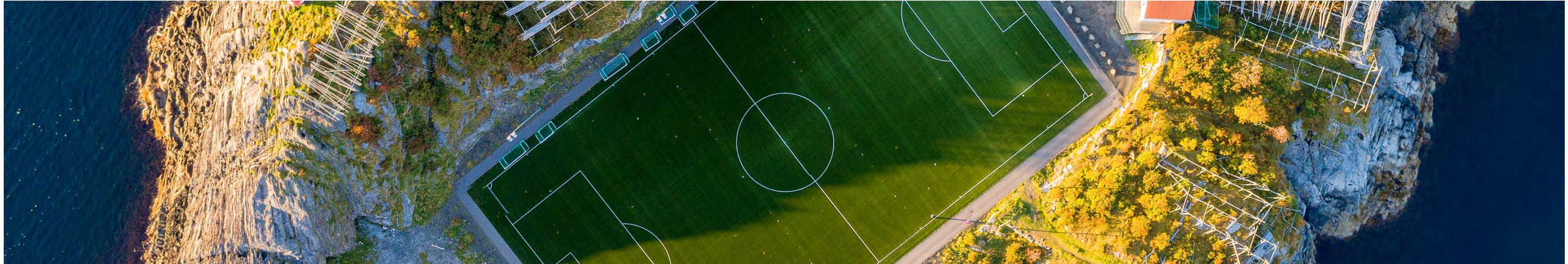
- If you do not already have one, develop a directory of all known IP – trade marks, patents, registered designs, copyright registrations, as well as unregistered rights such as trade secrets, unregistered trade marks and any licensing arrangements you have in place as a licensee or licensor. This should also take account of any co-existence agreements or undertakings you may have in place with third parties.
- Review your IP portfolio – what are the key brands and projects for your business now and in the future. Are these sufficiently protected or are there gaps? Get a clear picture of when renewal fees are due across all relevant assets. This may present opportunities to make savings on expensive renewal fees, where IP can be allowed to lapse or monetised in some other way. Be thorough in assessing whether those IP rights are still relevant to your current product and brand lines and rationalise where it makes commercial sense to dispose of this IP.
- Pay attention to your registered trade marks to ensure these cover any changes that have been made to the way the business operates in view of the Covid-19 situation. For example, are goods and services now offered digitally instead of in print/in person? If so, consider whether you need to register your marks in additional classes. Existing registrations may not protect you for this new digital offering.
- Ensure all your data is collated in one accessible place, so that it can be easily reviewed and analysed for future opportunities.



Procedure

- Keep track of the deadline extensions that have been introduced by IP offices around the world as a result of Covid-19 – they could prove useful for prioritising activities.
- Consider how your approach and processes around innovation capture might need to be adapted.
- Be aware of the impact of Covid-19 on litigation procedures and how they may impact on any live or emerging disputes. There is useful guidance on the practice of remote hearings. There have also been updates to the Civil Procedure Rules by way of practice directions 51Y and 51ZA:
 - Hearings are still going ahead remotely – ensure that you are practically prepared (e.g. with e-bundles), and arrangements are made to access any hearings (Skype for Business appears to be the court's current preference).
 - For upcoming litigation, ensure that your IT systems are adequate and able to deal with any remote requirements in advance of hearings. If you are attending remote hearings, remember that recording the proceedings by video or other methods is prohibited.
 - Hearings held remotely remain public hearings and will, where possible, be broadcast at an open court in the Rolls Building. Where this is not practicable, the hearing will be recorded and made available to view upon application.
 - Note that time extensions of up to 56 days (rather than 28) can now be agreed between parties, without having to apply to the court for permission, if those extensions do not impact upon the trial timetable.
- It is important to note that whilst the court is obliged to consider the impact of Covid-19 on case timetables, there is also reluctance to unnecessarily grant substantial deadline extensions despite the Covid-19 outbreak, as shown recently in *Heineken Supply Chain BV v Anheuser-Busch Inbev SA (Rev 1)* [2020] EWHC 892 (Pat)
- Consider whether your product lines are likely to be impacted by 'crown use' exemptions - recently considered in *IPCom v Vodafone* [2020] EWHC 132 (Pat) - or compulsory licences. This will be particularly relevant for those working on Covid-19 related technology. In light of drug, vaccine and equipment shortages, the government may expressly authorise otherwise infringing acts to ensure that supply of these critical items is met.

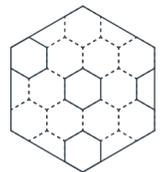




Pipeline

Ensure you have a clear picture of all pipeline activity:

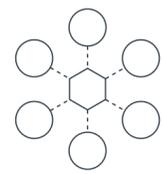
- Innovation projects / trade mark clearance and availability / patent, design and trade mark applications
- Opposition matters & disputes



Resources

Ensure you have a clear picture of all pipeline activity:

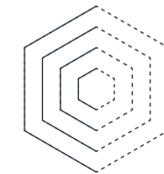
- With potentially constrained resources, how will this affect your ability to deliver key projects? Can existing external advisers help to fill any gaps?
- Check that you have exhausted all avenues in relation to grant/funding applications and R&D tax relief measures.



Stakeholders

Consider the impact of the new trading environment on your relationships with:

- Collaboration partners
- Licensing partners
- Investors
- Industry bodies
- Supply chain
 - Check that contracts with suppliers / contractors are as you would want them to be and give appropriate rights under the current circumstances. If they do not, then this may be an appropriate opportunity to leverage a variation to the agreement.
 - Some businesses may have been forced to move their manufacturing to a new location, or possibly alter the global transport routes to sale. As a result, IP protection may be needed in territories where it does not currently exist, including customs protection. Also, infringement risks might now have arisen in those new territories. Both short and long term changes to IP strategies may be needed.



Macro-economic context

As the implications of the pandemic unfold around the world, it is bringing economic, political, technological and social change. It would be wise to consider how these changes may manifest and impact on your IP position.

- For example, the timetable for the UK to leave the EU currently remains unchanged. EU trade mark and design owners are advised to review their post-Brexit strategy.
- With economic uncertainty set to continue for some time, how will this affect your ability to fund innovation projects or to develop valuable new brands now and in the longer term?
- If social distancing and remote working are sustained, consider the implications for your key innovation projects.



Consolidate

Seven points on strategic streamlining

Operating under a more restrictive trading environment requires a more focussed approach to the projects and activities that are most likely to deliver for your business. This will involve streamlining your project pipeline and cutting out distractions, so that valuable resources are channelled into the most profitable and sustainable projects.

However, for all businesses, including SMEs and start-ups in particular, it is incredibly important that protection of new IP is not neglected in this period to avoid costly problems further down the line. For example, clearance searching now can ensure a new brand will not infringe others' rights when launched later. Businesses of all sizes should also be mindful of the fact that patents are, by their nature, slow burn, with years typically passing between filing and grant. Curbing investment now could affect commercial advantages for many years to come.

This section provides practical tips to help you get the maximum value from your intellectual property assets and activities.



Start by determining how business critical each of your current projects are – rank them high, medium, or low. Then apply a traffic light system, identifying which projects absolutely must continue during the current crisis, which can be paused for a short time, and which should be stopped. For those in the life sciences sector, consider how delays to clinical trials might impact and where resources committed to those trials can be productively diverted in the short term.



Effective patent landscaping and brand strategy, supported by more specific freedom to operate searches and trade mark availability searches could prove particularly useful in the current environment, helping to identify where key opportunities lie for your business, and to align these with current resources.



Consider the most cost-effective way of protecting new developments – at least in the short term. If an invention cannot be reverse engineered then would keeping it confidential, or as a trade secret, provide adequate protection? Would registered designs or other soft IP rights be sufficient to stop copycats? If patent, design or trade mark filing programmes need to be started, make use of priority periods to get an initial application on file but defer the cost of seeking protection in other territories.

4.

Assess whether to delay moving forward with pending patent, design or trade mark applications where this is possible, e.g. to defer costs, or accelerate matters if your objective is to attract investment. In terms of patent acceleration, EPO examiners are keen to talk and reach a resolution, given that oral proceedings cannot be scheduled any time soon. Meanwhile, if looking to defer costs on patent, design or trade mark matters, consider how you can make best use of the deadline extensions introduced by IP offices worldwide because of the disruption caused by Covid-19, or whether matters can be extended or suspended in the short term. Also look at taking advantage of renewal fee payment holidays, or renewal in the grace period where available, rather than abandoning cases.

5.

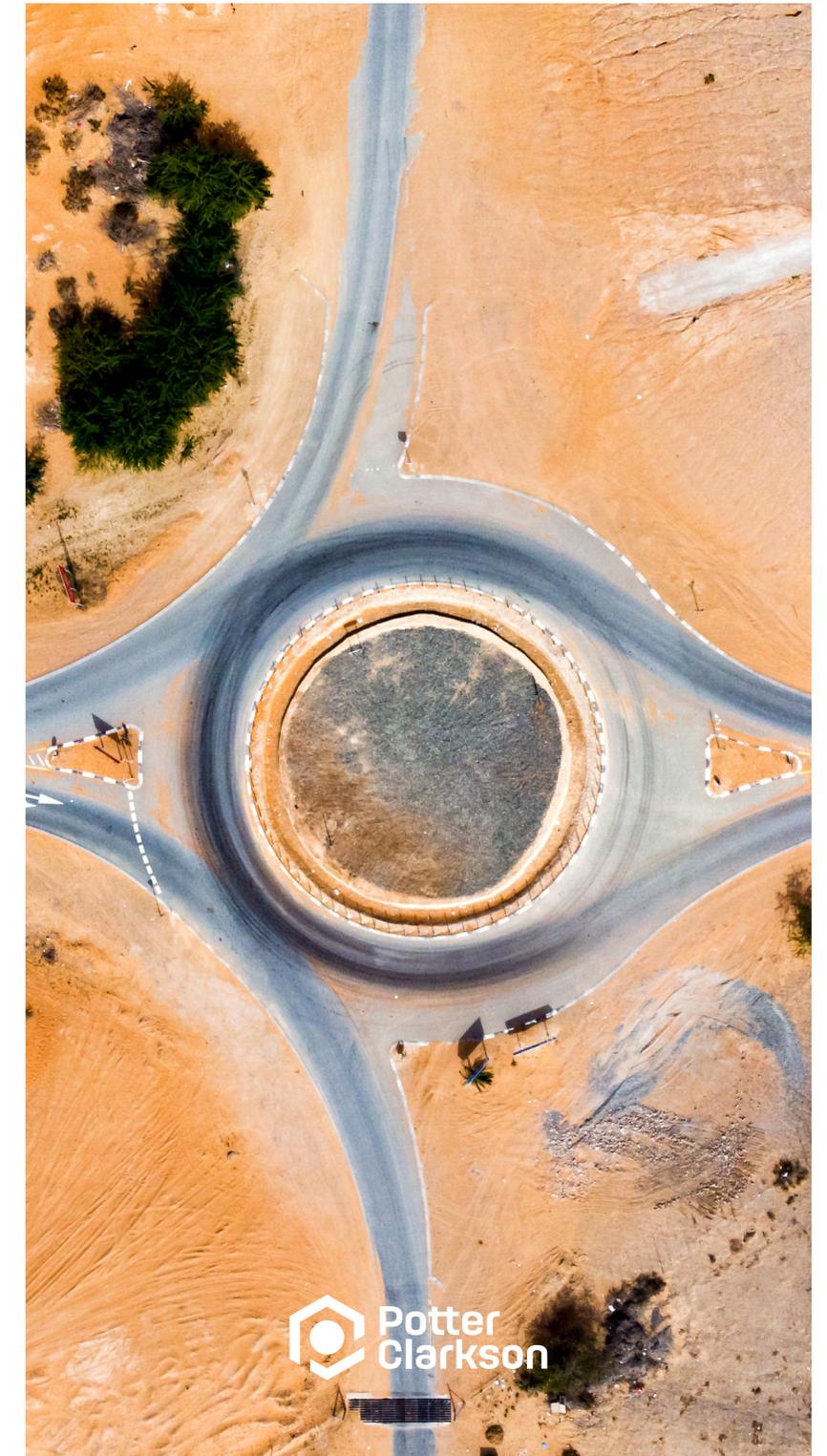
Ensure your licensing and distribution agreements are still fit for purpose, as countries start to emerge from lockdown, and be mindful of any co-existence agreements with third parties if your business is moving into new territories.

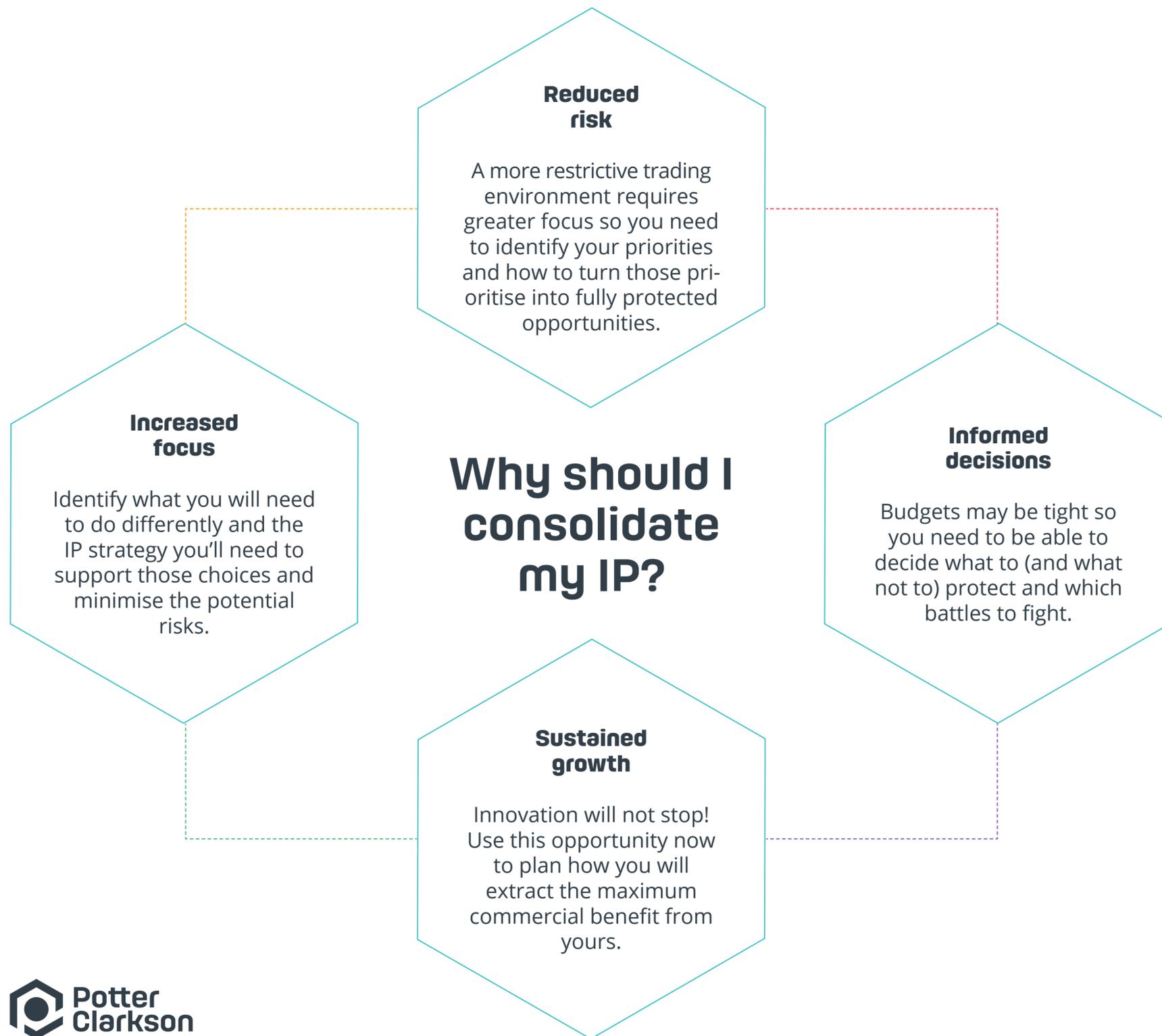
6.

Examine whether a different approach is now appropriate to ongoing oppositions and disputes. Are there matters which could sensibly be dropped or settled, rather than pursuing further? Alternatively, it might be beneficial to delay some steps, with the EPO being particularly amenable to postponing opposition oral proceedings at the moment. There may of course be matters that must be continued and there is more advice in the next section on managing risk.

7.

Are there less financially demanding ways of keeping projects on track? Would it be feasible to collaborate and consider joint R&D to advance projects and spread costs?





How we can help

With things as they are the need to adapt to the new challenges of such a fast-changing and unfamiliar trading environment is essential. Making such wholesale changes will require a new approach to achieve new objectives. It will also involve no shortage of new ideas and new inventions and those will have to be protected to ensure they deliver the level of return you need them to.

With that in mind, is this the perfect time to take stock and make sure your IP maps to your new business plan? It is a process we know well and one we are currently guiding a number of our clients through.

Contact us to find out more.



Mitigate Risk

Amid such widespread uncertainty, there is a need to manage risk wherever possible. With the rules of engagement changing in relation to so many business activities, an escalation in disputes is anticipated as businesses and brand owners cling to market share.

Handling existing and emerging IP disputes

It is important to note that the UK courts are open, and you do not have to tolerate infringement by parties seeking to take advantage of the current situation. The UKIPO is also continuing to operate hearings via telephone, Skype and other virtual methods.

- It remains advisable, however, to undertake a risk assessment prior to starting any litigation, to consider the merits of pursuing a case versus the cost of taking action. If there is scope for a viable commercial settlement, explore it.
- Alternative Dispute Resolution could prove particularly useful at this time and both arbitration and mediation bodies are operating remotely.
- For ongoing litigation, clients should ensure that service protocols are agreed to prevent issues re: service of documentation via fax or post. Careful planning and regular review of trial timetables will be required to keep it in line with government advice.
- If you do not already have these in place, consider whether you wish to implement trade mark watches, domain name watches or other online watches to identify risks to your brand. For example, some parties may use the current environment to opportunistically file bad faith trade marks or domain names.
- Review force majeure clauses in key agreements and evaluate whether there is a risk that any of these may be exercised or enforced by counterparties.
- Consider exploring current anti-counterfeiting strategies, and whether utilising tools such as the Alibaba Group IPP platform, eBay VeRO and/or the Amazon Brand Registry could result in quick and efficient take down of counterfeit and unauthorised product listings.

Confidentiality and remote working

Make sure non-disclosure agreements (NDAs) and confidentiality provisions are satisfactory in employment and consultancy contracts. Employees will often be 'taking home' trade secrets, so ensure they are educated about the need to maintain secrecy and how to handle information:

- Evaluate whether any internal policies and guidance on confidentiality and trade secrets need updating, e.g. is confidential information adequately differentiated from less sensitive information, and is access to confidential information limited only to those who need to know?
- Provide employees with practical tips on ensuring confidential information is kept safe when remote working, e.g. not taking sensitive calls outside, not having meetings with windows open, and using only approved technology providers for virtual client meetings and file sharing.





Plan Ahead

While there is naturally a period of adjustment to the 'new normal', there is also a need to look to the future and ensure that you do not miss opportunities to innovate.

Innovation will not stop – successful innovations in key technology areas including biotech, 5G, and AI may still be defined by work done during this period.

There is an opportunity now to get ahead of the competition and use any additional time you have to think about future projects.

It is also an important time to protect and advance your brand image. How businesses contribute and behave during this crisis will shape their reputation in the future. For example, the swift action taken by Louis Vuitton to switch its production line from fragrance to hand sanitiser and Burberry's switch from high fashion to essential hospital scrubs will live long in the memory. As too will the production of hand sanitiser by INEOS and the supply of NHS hospitals free of charge for the period of the crisis.

There are funding opportunities for space-enabled technology and services that can strengthen the NHS' coronavirus response. If you are involved in projects that help with internal logistics (e.g. drone deliveries), managing disease outbreaks, population health and wellbeing, preparedness for future epidemics or tech that could support a recovering health system to function and handle post-crisis backlogs, you are encouraged to apply.

Here, specialists from across the firm give their thoughts on planning for the future:



Ensure that relevant agreements are in place to deal with licensing, future collaborations, and potential projects down the line. This is even more important where businesses are seeking to outsource R&D, or source alternative collaborators if institutions such as universities remain closed for the foreseeable future."

**Oliver Laing,
Partner & IP Solicitor**



If new business opportunities have opened for you, there may be important steps you need to take to support the long-term sustainability and future growth of your business. This could include clearance searches, freedom to operate assessments, filings to seek IP protection, or drafting commercial agreements. Now is the time to discuss new projects to ensure these opportunities are not missed and you are well prepared to take any necessary action."

**Lucy Mills,
Senior Associate & Trade Mark Attorney**



Ensure planned data will be generated in time to support new filings. This may require a delay to patent filings, and potentially therefore also public disclosures, to allow for this."

**Darren Mitchell,
Partner & Patent Attorney**

As a full-service intellectual property law firm with expertise in patents, trade marks, designs, litigation, licensing and consultancy, we can provide you with specialist support in all areas of IP for the next 100 days and beyond.

If you have any queries or would like more information, please contact us at:

bd@potterclarkson.com

We will endeavour to respond to you within 24 hours.

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