WIPO Training of Trainers Program on Intellectual Property for SMEs
Warsaw, Poland, November, 22-25 2010
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Session:
Making a Mark

Exercise 1:

Your company named Norden has started a new business in manufacturing and selling T-shirts and other apparel. The marketing office has invented a list of potential marks which could be used to market its products and services. The potential marks are: COMFORT, YOUR STYLE, Chicka!, PARIS FASSION

1. Which mark is to be considered more distinctive in relation to your product? Why?
2. From 1 (minimum) to 10 (maximum), what level of distinctiveness would you attribute to each mark?
3. Which trademark would be easier to impose on the market if the same amount of advertisement was carried out?
4. Is it possible to increase the distinctiveness of this name? How?
5. If your company would decide to produce and offer later on accessories and toys would it be possible to use the chosen name?

Exercise 2:

Your company has developed a new device, enabling the locking and unlocking of the door of your home from a distance. This new product is registered under the mark "DOORPEN". The marketing Department of your company proposes to advertise this product under the following slogan: "Take a doorpen to ease your life".

What do you think about this suggestion?

Session:
"Inventing the Future" – The Importance of Inventive and
Innovative Activity in Maintaining Competitiveness

Exercise 1:

The specialists of Norden developed an innovative process of applying 3D images on T-shirts. The process provides for a more durable, longer lasting and colorful application.

Should the company obtain a patent or keep the innovation as a trade secret? What questions should you ask to answer this question? What would be the advantages and disadvantages for Norden?

Exercise 2:
Case Study : Dtect Pty Ltd (Based on the Biotechnology Manual, Spruson and Ferguson, Biotechnology Australia, Commonwealth of Australia, 2001)

Dtect Pty Ltd is a small Polish company which was established in 2004 to develop diagnostic kits for pathogenic microorganisms of agricultural importance, with a particular focus on respiratory diseases of cattle.

One of Dtect's target diseases is Mcllroy's Disease, an infectious, fatal disease of cattle which is estimated to cost the cattle industry worldwide approximately $100 million annually. Afflicted animals are infectious for approximately 2 weeks prior to the onset of visible symptoms, thereafter they become highly infectious and die approximately 4 weeks after symptoms appear. There is no treatment for Mcllroy's Disease and outbreaks are dealt with by slaughter of all animals in any herd which has even a single symptomatic animal. As a consequence, it has long been suspected that uninfected animals are being sacrificed.

Under the guidance of its Director of Research, Doctor Koff, Dtect has developed a rapid diagnostic test for Micrococcus neirbo, the causative agent of Mcllroy's Disease. The diagnostic test involves the use of the polymerase chain reaction (PCR) and detects the organism by detection of characteristic DNA sequences. The test is to be marketed as a kit, CowKoff™, which can be used sufficiently early in an outbreak to enable infected animals to be isolated, thereby removing the need for sacrifice of uninfected animals.

By 2006, Dtect had obtained patents for the diagnostic test in Poland, Russia and various countries in Europe. Dtect had also registered the trade mark CowKoff™.

Realising that its expertise lay in the development of the test and not in its marketing, Dtect entered into an agreement with Sliksel International, a Polish company with extensive experience in sales and marketing of diagnostic test kits. Under the terms of the agreement, Sliksel was to obtain regulatory approval (where necessary) for the test and was responsible for worldwide sales and marketing of CowKoff™. In return, Sliksel would annually pay royalties to Dtect on 31 December, each payment being equal to 6% of worldwide sales of CowKoff™ for the previous 12 months.

Dr Koff had long suspected that there may be non-lethal strains of M. neirbo and made the isolation of such a strain one of the on-going priorities at Dtect. In January 2007, Dr Koff attended the International Conference of Bovine Research where he was to present a paper describing his research on Mcllroy's Disease, with a particular focus on the development of CowKoff™.

On the morning of his seminar, he received an excited telephone call from one of his colleagues at Dtect, informing him that they had identified a non-lethal strain of M. neirbo. His colleague explained that animals infected with this strain appeared to be completely asymptomatic. Dr Koff was unable to contain his excitement and revealed this information in his seminar, stating that he expected that Dtect would now develop a test that would distinguish the two strains of M. neirbo. Dr Koff indicated that this would permit animals infected with the non-lethal strain to be spared sacrifice, thereby providing further savings for the cattle industry.

During 2007, Dtect expended considerable resources on research and development of the second generation diagnostic kit. Although Dr Koff had predicted that development of the test would be a routine extension of the CowKoff™ technology, it proved to be unexpectedly difficult with frequent surprising results causing Dr Koff and his colleagues to re-think their strategy at nearly every stage of the research.
Eventually, by September 2007 and after abandoning the detection methods used in the CowKoff™ test, Dtect had developed a prototype second generation diagnostic, which they envisaged would be marketed as a kit called CowSafe™. As Dtect had not yet received any payment of royalties from the Sliksel thowever, they were unable to progress the development through to production of the CowSafe™ kit.

That same month, Dr Koff became aware of an outbreak of Mcllroy's Disease on Valley Downs, a large cattle property in the Northern part of the country. Identifying this as a possible way out of the cash crisis faced by Dtect, Dr Koff contacted the owners of Valley Downs and negotiated a contract under which Dtect would be guaranteed payment on delivery of 10,000 CowSafe™ kits, provided they were delivered within the month. Immediately prior to delivery of the kits, Dtect instructed their patent attorneys to file a patent application for the CowSafe™ kits and the technology which the test employs.

In late 2007, an agreement was reached with Sliksel International whereby Sliksel was responsible for worldwide sales and marketing of the CowSafe™ kits.

By early 2000, Dtect had obtained patents covering the CowSafe™ kits in Poland, Russia and various countries in Europe and Dtect was enjoying significant royalty income.

Later that year, Dtect became aware of a product called TestEasy which was marketed in Poland as a test kit for the diagnosis of Mcllroy's Disease. Dtect purchased one of the TestEasy kits and established that it contained the same ingredients as the CowSafe™ kit and employed the same technology. Investigations on behalf of Dtect established that the TestEasy kit was also being marketed in Europe, the United States and Brazil.

Dtect contacted the marketers of the TestEasy kit, Robin Steele International, providing them with a copy of the relevant Dtect patent, informing them that Dtect was of the opinion that the TestEasy kit infringed the claims of the patent and advising that they would commence legal proceedings for infringement if the TestEasy product was not withdrawn from sale. The product was not withdrawn and Dtect commenced legal proceedings in Poland, Germany and United States. Robin Steele International counter-claimed in each jurisdiction for invalidity of the CowSafe™ patents.

Discussion Points

1. Does Dtect require a licence to include other proprietary components in its kit or to instruct the use of a proprietary method as part of the test?
2. Awareness of the value in all forms of intellectual property rights.
3. Are there any ramifications of Dr Koff's statements at the conference concerning the identification of the non-lethal strain and the potential for development of a discriminatory diagnostic test?
4. Other possibilities for payment of royalties that Dtect might have included in the agreement.

5. Are there any ramifications of Dtect entering into a commercial agreement to supply the CowSafe™ kits prior to filing the patent application or during prosecution of the patent application (ie. prior to grant of a patent)?

Exercise 3 for the session: International Trade and Intellectual Property

1. Is Dtect able to do anything about Robin Steele International's sales of the TestEasy kit in Brazil?
2. What might be the likely outcomes of the legal proceedings?

Session:
International Trade and Intellectual Property

Exercise 1:

Norden would like to expand its business and start selling its *Chicka!* **branded apparel in Germany, France, China and Turkey. Norden is particularly interested in selling its apparel in China as its products may be manufactured cheaply in these countries. Also, this rapidly developing country has large population and so,** *Chicka!* **apparel may also be sold in these large markets.** However, Norden **is aware that counterfeiting is rife in China.**

1. What preparatory steps should Norden! consider taking to best protect its Chicka! trademark for apparel in Germany, France and China?

2. Norden consults attorneys to register its trademark Chicka! for apparel in China. *In what version should Norden consider applying to register its trademark?*

3. Norden's attorneys conduct a search of the trademark register in China. They find that a local company applied two months ago to register the trademark *Chicka* for apparel. The attorneys investigate further and find out that the local company has never promoted or sold any *Chicka* branded apparel. Assume that Norden has been selling *Chicka!* branded apparel in 30 countries for 30 years. *What might Chicka! do?*

4. Norden's attorneys conduct a search of the trademark register in China. They find that a local company had registered the trademark *Chicka* for apparel five years ago. The attorneys investigate further and find out that the local company has never promoted or sold any *Chicka* branded apparel. Assume that Norden started selling *Chicka!* branded apparel in Poland a year ago. *What might company do?*

5. Norden's attorneys conduct a search of the trademark register in China. They find that a local trader registered the trademark *Chicka* for apparel about two months ago. The attorneys investigate further and find out that the local trader has never promoted or sold any *Chicka* branded apparel. Assume that Norden launched its *Chicka* branded apparel four months ago in Poland in a small town.
What might Norden do?

Exercise 2:

Norden makes a lot of success with its new T-Shirts line and its sales through the carefully designed distribution chain of shops in different EU countries has been growing. Mister White, from Greece, and Mister Red, from Ukraine, operate as parallel importers on the international markets. They both buy most popular Chicka! T-Shirts in their countries in order to resell them in Italy.

What do you need to consider then analyzing this situation?
Are there any differences, as far as the lawfulness of the respective activities is concerned, between the business of Mister White and the one of Mister Red?