 <p>BARRISTERS SOLICITORS TRADEMARK AGENTS</p>	<p>The Ottawa Region 2021 <i>Charity &amp; Not-for-Profit Law</i> Webinar February 11, 2021</p>
<p><b>Intellectual Property Challenges in a Virtual World: Tips and Traps</b></p> <p>By Sepal Bonni, B.Sc., M.Sc., J.D., Trademark Agent</p> <p>sbonni@carters.ca 1-866-388-9596</p> <p>© 2021 Carters Professional Corporation</p>	
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### A. OVERVIEW OF IP RIGHTS

- Intellectual Property (“IP”) refers to intangible property, which are creations of the mind

The main types of IP are:

Patents: applies to new and useful inventions

Trademarks: a distinctive element that identifies goods or services provided by one source from others, includes words and logos

Copyright: an original literary, dramatic, musical or artistic work

Industrial Design: a shape, configuration, pattern or ornament applied to a finished article

- Generally speaking, **copyright** and **trademarks** are the main forms of IP that charities and not-for-profits (“NFPs”) own and will therefore be the focus of this presentation

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- Establishing a legal right to IP is of vital importance for the following reasons:
  - Organizations can leverage IP
  - Reproducing the IP of others can violate the owner's rights
    - This type of violation is referred to as infringement, and IP owners have legal remedies against those who have infringed their IP
  - The effective management of IP belonging to a charity or NFP can help to protect and grow the assets of the organization
- Therefore, an awareness of IP law and how it affects the day-to-day operations of a charity or NFP is of significant importance

## B. WHAT IS COPYRIGHT?

- Copyright protects original literary, artistic, dramatic or musical works
- The word "original" is key in defining a work that qualifies for copyright protection

The work does not need to be new, but must originate from the author, not be copied, and involve some intellectual effort

- Originality can be tricky to determine and many court cases revolve around the question of whether a work has been copied, even in part, from someone else's work

## C. WHAT IS A TRADEMARK?

- Trademarks are likely the most important part of your brand and one of the most powerful forms of intellectual property because it protects an organization's image
- A trademark is any mark used for the purpose of distinguishing products and services from others in the public
- In particular, names, logos, or slogans are parts of your organization's brand known as "trademarks"
- Trademarks legally protect your brand and grant your organization exclusive rights to their use in the public

## D. INFRINGEMENT



## E. TIPS FOR PROTECTING IP IN THE DIGITAL WORLD

### 1. Automatic Protection

- There is automatic **copyright** protection for an author if he or she is a Canadian citizen or person ordinarily resident in Canada, or is a citizen of various other international convention countries



- There is also automatic **trademark** protection as soon as a trademark owner commences use of its trademark, but proceed with caution as discussed in the coming slides



### 2. Registration

- Registering copyright with Canadian Intellectual Property Office (“CIPO”) entitles the owner to a registration certificate that constitutes official proof of ownership
- Creates a rebuttable presumption that copyright exists in the work and that the copyright registrant is the owner of said work
  - This can be useful when asserting rights
- Registering a trademark with CIPO offers numerous advantages:
  - A presumption of ownership and validity
  - Registration of a corporate name or business name does not itself give trademark protection
  - Exclusive rights to use the trademark in association with the registered goods and services

- With an unregistered trademark
  - owner must show extensive use, reputation, and goodwill in the mark, to rely on these rights
  - there is no presumption of ownership
- The registration is effective throughout Canada
- Suing for trademark infringement which can be done only on the basis of a registered trademark and is generally easier (and less costly) than suing for passing off of unregistered trademark rights
- Failure to register can result in a costly and lengthy court battle
- Can act as a defense to a trademark infringement claim against you
- A registered trademark has equity
  - it becomes an asset of the trademark owner and can be sold or licensed

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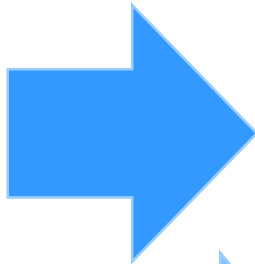
### 3. Policies and Contracts

- A charity or NFP can help to reduce the risk of infringing IP that is owned by a third party by creating an IP Policy for employees and volunteers to follow
- A Social Media Policy should also be implemented that addresses the organization's policies regarding the use of IP
- A charity or NFP should also have policies in place that protect its own IP including an IP Policy posted on its website or Terms and Conditions of Use that address the use of the organization's IP
- Implement contracts with employees, volunteers and independent contractors that clearly state that the organization is the owner of all IP and that moral rights are waived, further discussed in later slides

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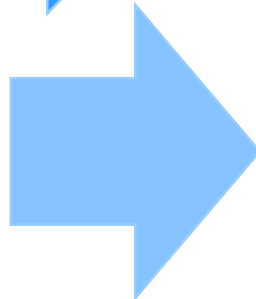
## F. IP TRAPS IN THE DIGITAL WORLD



As discussed, IP can be a significant asset if effectively managed, but can also result in liability

Important questions for charities and NFPs to ask are:

- Does the organization have the rights necessary to carry out its activities without infringing on the rights of others?
- Does the organization possess good title to the IP that it believes it owns?



### 1. Copyright Ownership Generally

- Generally, the *author* of the work is the first *owner* of the copyright, unless an exception exists
  - There can be multiple authors for one work
  - The author is whoever writes, produces or otherwise creates a creative work
  - Corporations cannot be must be human authors as an author
  - The *Copyright Act* also recognizes and protects the creator's "moral rights" which includes the right to attribution, integrity, and association
    - moral rights can be waived but cannot be assigned

## 2. Copyright Works Created by Employees

- One exception to the author being the first owner of copyright is if the author is employed under a contract of service or apprenticeship, the employer automatically owns the copyright to the work
- There are three requirements for this to happen
  - The employee must be employed under a contract of service or apprenticeship
  - The work must have been made in the course of that employment or apprenticeship
  - There must not be an agreement to the contrary
- The author retains moral rights to the work

## 3. Copyright Works Created by Independent Contractors and Volunteers

- One difficult question that frequently emerges is whether a person is under a “contract of service” or a “contract for services”
- Independent contractors, volunteers, and quasi-employees are not usually considered to be under a “contract of service”
- Therefore, a charity or NFP will not automatically own the rights to works its volunteers or independent contractors create (*i.e.*, web designers, logo developers)
- Disputes can arise over ownership of copyright works
- Often charities and NFPs will be surprised to learn what they do not own the copyright for

## 4. Trademark Ownership Generally

- When you use a mark in the marketplace you accrue *common law* or unregistered trademark rights
  - Registration is the confirmation of common law rights acquired through use
  - The first user of a trademark is the party entitled to use and own the trademark, regardless of if (or when) an application to register the trademark was filed
  - The first user is technically entitled, but the first party to file gains a significant procedural advantage in securing rights
  - The scope of protection for common marks is restricted to the geographic area and to the actual use of the mark, whereas the registration is effective throughout Canada

## 5. Failure to Search, Register, and Control Trademarks

- To avoid lengthy legal battles, charities and NFPs should ensure they:

Search	Register	Control
Conducting a trademark search prior to using a trademark allows you to avoid encroaching on others' rights and can help determine who is potentially encroaching on your pre-existing rights	Registering trademarks allows you to enforce against later users of confusing similar trademarks and registration can act as a defense if a third party is trying to sue you for trademark infringement	Trademark use should be controlled to avoid losing trademark rights



## 6. Using Third-Party Material

- Content that is not created by the charity or NFP does not belong to the organization and therefore cannot be used without permission
- Employees and volunteers may not consider whether IP rights apply to a work, or may assume that an exception applies or that they will somehow be personally exempted from responsibility
- If an employee or volunteer infringes IP in the performance of their duties for the organization, then it is ultimately the organization that will be held responsible in most cases
- Use of collective licensing (e.g. CCLI) - several important considerations on what you can or cannot do with the content online (e.g. what is the license for, can you use the content online, etc.)

## 7. Social Media

- Examples of Social Media: LinkedIn, Facebook, Twitter, Instagram, Pinterest, YouTube, Google+, etc.
- Ensure IP of others (and your own) are not infringed
- Social media can expose your organization to liability for infringing the IP rights of others
- Monitor social media sites for postings by employees and third parties that may infringe IP of others
- Review posted content and consider who is the owner
- If the organization does not own the work, any reproduction of that work on social media can constitute IP infringement

## G. KEY TAKEAWAYS

IP is a very valuable asset to charities and NFPs

It is beneficial for charities and NFPs to familiarize themselves with the laws surrounding copyright and trademarks

To implement policies and procedures in order to protect its IP and to avoid any unintended consequences

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