

Indirect means of software protection

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- The Fame
 - Goodwill
- The Secret
 - Trade secrets / Know how / Confidential information
 - Nondisclosure/Confidentiality Agreement
 - Noncompetition Clause/Agreement

Definition, Decision, Action

FAME > TRADEMARKS, GOODWILL

TRADEMARKS

Trademarks

- [Types](#)
- [Protection](#)
 - Nice Classification
 - Vienna Classification
- Using
- Enforcing

Article 6bis of the Paris Convention

Well-Known Marks

*„...to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be **well known in that country** as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods.“*

[Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks](#)

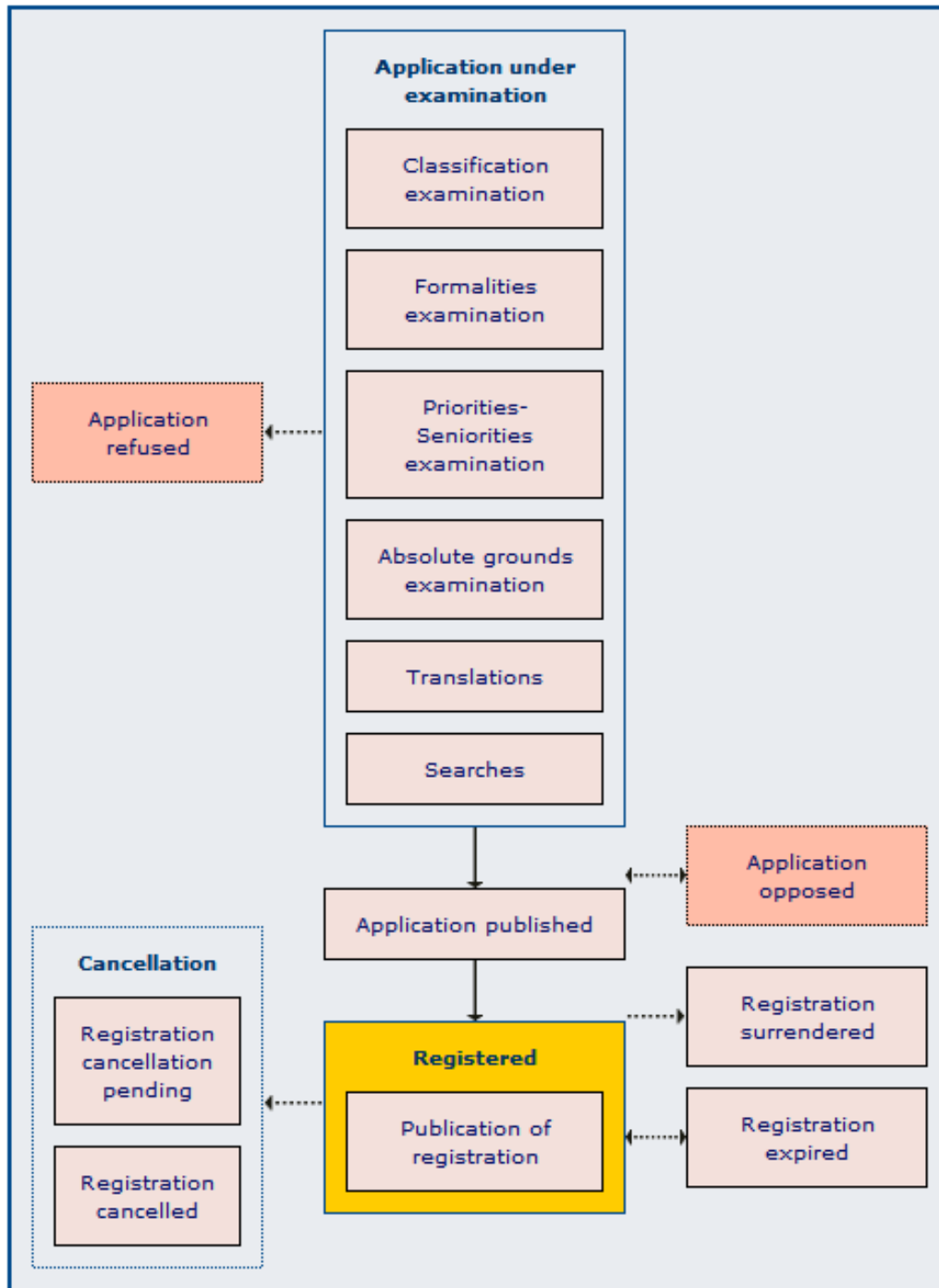
- Well-known – unregistered in the country of origin > competing Goods and Services
- Famous – registered > non-competing
- Community Trademark – marks with good reputation (AdWords Case).

Generification of trademark

- *“Google, in the filing for its initial public offering, worried that the term “Google” could one day become synonymous with “search”—resulting in both a loss of trademark protection and reduced brand value. Google’s trademark—now the most valuable on the planet, according to Brand Finance—is worth an estimated \$44 billion, or 27% of the firm’s overall value, measured by market capitalization (its stock price multiplied by the number of shares).”*

STONEFIELD, Sean. The 10 most valuable trademarks. *Forbes*. Available: <http://www.forbes.com/sites/seanstonefield/2011/06/15/the-10-most-valuable-trademarks/>

XEROX case



Goodwill protection

- Accounting category
- „dobrá pověst“
- Only legal persons
- Assumed

**SECRET > TRADE SECRETS,
CONFIDENTIAL INFORMATION,
KNOW-HOW**

Trade secrets

- no uniform enforceable EU trade secrets law BUT
- Section 7: Protection of Undisclosed Information. Article 39 (2) TRIPS :

Natural and legal persons shall have the possibility of preventing information lawfully within their control from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices so long as such information:

- (a) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
- (b) has commercial value because it is secret; and
- (c) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

Pros / Cons

- Not limited in time
- No registration costs
- Immediate effect
- No formalities
- Reverse Engineering
- BOBE principle
- Enforceability
- May be protected if discovered by legitimate means by others

Trade Secrets

- Data compilations (customer lists)
- Designs, drawings, architectural plans, blueprints and maps;
- Algorithms and processes that are implemented in computer programs, and the programs themselves;
- Instructional methods;
- Manufacturing or repair processes, techniques and knowhow;
- Document tracking processes;
- Formulas for producing products;

Trade Secrets

- Data compilations, including certain databases;
- Business strategies, business plans, methods of doing business, marketing plans;
- Financial information;
- Personnel records;
- Schedules;
- Manuals;
- Ingredients;
- Information about research and development activities.

ALSO – COMBINATION of KNOWN info

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Provides a competitive advantage

Trade Secrets in Czech Law

- Sec. 17 Czech Commercial Code
- *“...include commercial, manufacturing and technological facts relating to the enterprise which have [1]actual or potential material or nonmaterial value, are [2]not readily available in the respective business circles, and [3]are to be kept confidential upon the will of the entrepreneur. The entrepreneur shall provide for the adequate protection of his/her business secrets.”*

Protection

- EX LEGE
- EX CONTRACTU
 - + Confidential Business Information
- TECHNOLOGY

Protecting the Secrets

CONTRACTS

- Business partners
 - NDA
- Employee
 - During the course of employment
 - Preventive
 - Monitoring
 - Ex post

TECHNOLOGY

- Trusted environment
- Logging
- Physical restrictions
- Remote monitoring
- No paper policy/Clean desk policy

Confidential Business Information

- Section 271 Czech Commercial Code
- *If the parties during negotiations on conclusion of the contract provide each other with information identified as confidential, the party to which this information was provided must not disclose it to a third party or use it contrary to its purpose for its own needs, regardless of whether or not the contract is concluded. The party that breaches this obligation is obliged to compensate the damage.*

NDA Agreement

[Model WIPO NDA]

- Identification
 - Parties
 - Trade secrets
- Purpose
- Means of protection
 - Exchange of Labelling – Confidential; Oral exchange to be noted down; encryption)
- The non-disclosure obligation
 - One/Two Way
 - Licensing (?)
- (Return obligation; permanent deletion)
- Timing
- Sanctions – Penalty clauses
- Governing Law

Non-competition Agreements

- Consideration at the time it is signed
- Protecting legitimate business interest
- Reasonable

NCA in CZ Law

- [Act No. 262/2006 Sb., Labour Code, as amended](#)
- Written form
- Max 1 year
- Contractual penalty
- Issue of proof

Enforcing (national law)

Unfair competition [Sec. 51 Commercial Code]

...such conduct by which a person illegally informs another person about a business secret, or provides them with access to it, or uses the business secret for their own or another person's benefit, using it in competition, and of which the person became aware:

- a) as a result of having been entrusted with that secret, or by having gained access to it through technical documentation, instructions, drawings, models or patterns on the basis of employment or other relationship with the competitor, or while performing a function to which the individual was appointed by a court or other authority, or*
- b) through their own or another person's conduct that is in conflict with the law.*

Enforcing (National Law)

Violation of Regulations on Rules of Competition

[Sec. 248 Czech Penal Code]

(1) Any person who violates another legal regulation of unfair competition by participating in a competition commits...

h) violation of trade secrets

*and thus will cause damage to a greater extent to other competitors or consumers, or obtains a substantial unauthorised benefit for themselves or another person, shall be punished by a prison sentence of up to **three years**, punishment by disqualification, or forfeiture of items or other assets.*

Software as a trade secret

- *Decision Insights, Inc. v. Sentia Group, Inc.*, 2009 (4th Cir. 2009)
- MUST FULFILL THE LEGAL PREREQUISITS
 - i.e. ENCRYPTION

Thank you for your attention!

Matěj Myška