
Intellectual Property – The Basics

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Intellectual property (or “IP”) has tremendous value to the company. IP can be thought of as real estate of the mind. IP is comprised of two distinct ‘mental’ properties. The first property is in the mind of the consumer. This is the way in which consumers relate to the brand the company created and choose the company’s product over its competitors. The second property is the mind of the company: the creativity and ingenuity of the company in creating products that are unique and solve current problems and shortcomings in the industry.

Property in the Consumer’s Mind

Intellectual property, or property of the mind, is the property or real estate a company owns in the minds of its consumer. A company can operate from a terrible location in the city, have poor real property, but can generate profits as if it were located in the best part of the city through the use of intellectual property. It is why companies invest in commercials and marketing to promote their brands. It is why companies are concerned with brand awareness.

For example, when purchasing over-the-counter medication, we tend to purchase the more expensive name-brand. We do so simply because we have a subconscious belief that the name-brand product is somehow superior to the no-name brand product. In reality, there may be no difference in efficacy between the products. We continually choose the name-brand on a pre-conceived notion that it will work better. That notion, the subconscious belief, is suggested to us by the brand-name company through intellectual property. The brand-name company spends millions of dollars for that suggestion, which in effect, is the brand-name’s purchase of real estate in our brains. That subconscious real-estate is worth more in the medical industry than the physical real estate, namely the location of the product within the pharmacy. Consumers will search out the name-brand product, as opposed to selecting the first product that they encounter.

A consumer doesn’t even have to be familiar with a specific product. The consumer will recognize the brand, and choose the product containing the recognized brand in a belief that the brand can be trusted to produce effective and reliable product consistently.

Brand identity is protected through the use of intellectual property, namely through trade-marks, industrial designs, and copyrights. Trade-mark is the logo, or the name, that the company employs to inform its consumer of its product; a flag of sorts telling a consumer of the product’s association with the company. The flag, which is recognized by the consumer, will subconsciously equate the quality or merchantability of the product to the quality they have come to expect with the brand-name, or with what they have perceived to expect from the brand-name advertisement. Industrial design is geared towards protecting a recognizable shape of the product. The shape of the product has nothing to do with the function of the product, but rather, is the unique shape that a consumer has come to recognize as belonging to a particular business or company. It is the unique look or feel of the product which distinguishes it from the competition. Copyright, on the other hand, is aimed at protecting the literature or works associated with the company.

Property in the Mind of the Business

Property in the mind of a company is also very valuable. In this case, the property in the mind of the company relates to the company’s ability to create and to develop something novel. It is how a company stands out from the competition. It is the ingenuity and innovation: a need to provide the consumer with a superior product or a method.

Innovation is very valuable to a company, but it is that much more valuable when the company is the sole provider of the innovative product in the marketplace. Protection comes in the form of a patent, which prohibits competitors from using the innovation or making the innovation available to consumers. In doing so, the innovative company has a distinct advantage over its competitors by being able to provide a product that the customer can only obtain from the innovative company.



The ability to provide unique and innovative products or services is an invaluable tool to the company. It sets the company apart not only in its ability to provide the product or service but associates the product with the company in the mind of the consumer. Protection of the company's intellectual property is, therefore, a crucial component of its success.

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