

## Educational Models for IP Protection of Business Identifiers

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### Abstract

*Subject matter of this paper is the education in intellectual property protection of business identifiers. The educational model reveals to the student in Master degree the possible strategies for building a company business identity and turning business identifiers into a management resource. Four strategies are presented in the paper and the emphasis is placed on the protection of digital business identifiers as trademarks and industrial designs. Nowadays, when consumers are provided with a limitless variety of goods and services, companies are faced with the challenge to establish a stable market position, to build consumer trust and loyalty. Higher demand and fierce competition lead to price reduction, which requires from a company to differentiate itself from the other companies on the market and to build a positive corporate image, especially in the digital market. One of the prerequisites for success in a state of globalization is the development of a successful strategy for digital business identification by means of a strong trademark and original industrial designs and their proper management. Business identifiers are key means for formation of corporate identity and differentiates a company from its competitors. Moreover, it has been revealed in the paper that building of digital competitiveness is a result of IP protection of business identifiers. On its part, intellectual property as a practical tool outlines the scope of protection of business identifiers, the roles and responsibilities of the participants and the consequences of potential violations. The registration of digital business identifiers as trademarks and industrial designs is not only a mechanism for protection and stimulation of creativity, but also a mean that guarantees investments and market advantages. The above-mentioned educational models are presented in the course "Business Identifiers" before students in Master Degree.*

*Keywords: model, intellectual property rights, digital competitiveness, business identifiers, trademarks, industrial designs*

### 1. Introduction

The aim of this paper is to present the principle methodology for examining business identifiers as well as to explain the main features of educational model concerning IP protections of business identifiers. The developed educational model is result of academic practise and real case studies in the field of IP protection of company business identifiers. The model is presented in the course "Business Identifiers" before students in Master Degree in the University for National and World Economy, Sofia, Bulgaria. Company business identifiers are a combination of graphic and color images, linguistic meanings and digital solutions in real or digital environments, through which the company and its products are positioned on the market and differentiated from other business entities and business results. All of these business identifiers, verbal, visual or combination of those, could be considered as an intellectual product for business purposes. [2] We consider the terms business identifiers and company business identifiers as equal.

### 2. Strategies concerning business identifiers and their protections as IP

The theoretical knowledge acquired by the students during the lectures concerns the four main strategies for building a company business identification. The educational model reveals to the students the possible strategies for building a company business identity and turning business identifiers into a management resource.

#### 2.1. Strategy for creation and development of system of company business identifiers and their protection as intellectual property.

The first strategy is based on company research and development in order to create its own business identifiers. The resulting creative endeavours may be protected as industrial property objects (mainly industrial design, trademark and geographical indication) if they meet certain legal requirements. By obtaining protection, business identifiers will give their holder an exclusive right over them, which will be a prerequisite for realizing economic benefits. Which object of the industrial property system to be used as a protection mechanism is a strategically important decision for the company. It should be

also considered whether additional protection mechanisms should be used. Depending on the type of business identifier, on the stage of development of the company and its field of activity, four possible strategic options are formed for the protection of business identifiers as intellectual property.

Option 1: Protection of business identifiers as a trademark.

Option 2: Protection of business identifiers as industrial design, classes 32 (logo and graphic design) and class 14, in particular class 14.02 (computer interface, computer screens) [3]

Option 3: Protection of business identifiers as geographical indication.

Option 4: Combined protection of business identifiers as trademark, geographical indication and industrial design (if possible).

## **2.2. A strategy for legally borrowing, outsourcing, and purchasing company business identifiers**

If a business entity is unable or unwilling to create and develop a system of its own business identifiers, it has the opportunity to borrow legally, acquire through a license or purchase a foreign business identifier.

- A strategy for legally borrowing business identifiers

Very often, in practice, firms choose the strategy of borrowing already protected business identifiers, succeeding in "circumventing" the exclusive right to an industrial design or a trademark. With legal borrowing, the following options are possible:

Option 1: Use foreign business identifiers for different territories.

Option 2: Use of foreign business identifiers after expiration of protection.

Option 3: Use foreign business identifiers in a different market segment.

- External licensing strategy for business identifiers

The strategy for obtaining rights to use a foreign business identifier for remuneration is mostly used by large foreign companies that own a number of subsidiaries in different territories and use licensing as a mechanism for settling rights between companies. The strategy is also used by companies that operate on a franchise basis.

- Strategy for buying business identifiers

Except through a license, the company may acquire rights to a foreign business identifier by purchasing it from a third party. Typically, business identifier sales occur when a company has developed one, but subsequently does not use it. Another possible option is when the company terminates its activity and wish to transfer the rights to the business identifiers to another legal entity.

## **2.3. Strategy for providing and transferring business identifiers to third parties**

If a company has created, borrowed or purchased business identifiers that are protected as a trade mark and / or design, it becomes the holder of the exclusive right over them. The economic realization of the business identifiers of the company is not only by using them in the business activity of the business entity, but also by giving them to third parties. It should be noted that business identifiers of a company protected as industrial property can be economically realized in several ways, namely:

- by use by the holder of the exclusive right;

- by use by third parties on the basis of a license agreement with the right holder;

- by sale / transfer of the exclusive right /.

Due to the unique nature of intellectual products, the first two of these are not mutually exclusive, on the contrary - the right holder has the ability to allow third parties to use the industrial property under certain conditions, while not losing ownership of it and also having the right to use it. Moreover, the "buyer" of the license may not be one, but an unlimited number of persons, each of whom, together with the owner (right holder), simultaneously uses the consumer value of the licensed intellectual product. Exactly these types of transactions are specific only to the objects of intellectual property.

## **2.4. Strategy for protection and management of business IDs in digital environment**

In recent years, the way businesses interacts with consumers has changed. The development and use of digital technologies has forced companies to quickly adapt to the new environment. The business itself has become a continuous rhythm of change. Consumer expectations have changed - they want everything to be faster, easier, more affordable and better. The way business identifiers interact with consumers has also changed. The link is much more interactive, and the information both parties receive is enormous. [3] In practice, the digital environment has become an integral part of everyday life.

The digital environment is a virtual, simulated space characterized by rich colors, fast-changing images and attractive design solutions. Many business identifiers in this digital environment are used



primarily to build a company website that appears after spelling out a domain name. The only way to fully protect the website is through the registration of the individual subpages and their elements as industrial design in class 14 of the Locarno Classification. It is advisable to submit a multiple application for protection within one year of the creation of the website's vision, which should include all the solutions. If the company subsequently decides that any of the design solutions (icon, emoticon or other) is not appropriate and will not be used, it may proceed with the transfer of the exclusive right to a third party for a fee. As the digital environment is characterized by dynamism, the company could change the look of the website up to the tenth year from the date of application design and before renewal of the registered designs. Renewal costs can be invested in protecting the changed vision by filing a new design registration application.

As far as the domain name is concerned, it may be protected by registration as a domain name or registered as a trade mark. It is recommended that the domain name match the business name or other business identifier in order for the counterparties to easily find the company website.

The four strategies have different characteristics, however they could overflow. The presentation of each strategy to the students reveals the multivariance of strategic decisions, outlines the advantages and disadvantages of each strategy, shows the positive results that the company can achieve from combining strategies.

### 3. Methodology for examining business identifiers

Along with the theoretical part of the course, the practical part of the student's work concerns examining business identifiers and preparing Individual assignments in accordance with the following principal methodology.

- Stage I: Identifying the problem of the study.

The preparation of the study begins with the formulation of the object, subject and purpose of the study. In practice - defining of the problem that will be the subject of the study. For example:

- Object: Business identifiers of the Bulgarian companies.
- Subject: Business identifiers protected as an industrial design (Locarno classes 14 and 32), as a trademark or as a geographical indication.
- Purpose: To study (1) what kind of business identifiers the Bulgarian companies use, (2) how they acquire IP protection of the business identifiers, and (3) whether Bulgarian companies manage their business identifiers after their protection.
- Stage II: Use of sources for primary information – Students conduct a search in the following databases: [www.bpo.bg](http://www.bpo.bg), [www.euipo.europa.eu](http://www.euipo.europa.eu), [www.wipo.int](http://www.wipo.int)
- Stage III: Use of sources for secondary information - A survey of secondary information should also be conducted by the students, such as websites of the companies, company documentation, the Commercial Register of the Republic of Bulgaria, as well as other sources containing relevant information.
- Stage IV: Processing and analysis of the primary data collected - Statistical processing and analysis are done by the appropriate computer program.
- Stage V: Drawing the main findings of the study and formulating recommendations - At the last stage the main conclusions are drawn, the hypotheses are checked and the necessary measures and recommendations are identified.

Based on the studies conducted and after making a comparative analysis on the business identifiers, the student can make recommendations to the specific company concerning the use of one of the strategies revealed above.

### 4. Conclusion

The education model for IP protection of business identifiers is innovative and include both theoretical and practical studies. It is recommended for students in Master degree as it presents in-depth knowledge in the field of business identifiers and the strategies that companies could use for building a stable company business identification. Choosing the most effective strategy is one of the fundamental decisions for any company. In a global, highly saturated and very well-developed digital market, strategic guidance and evaluation of the most effective strategy are needed. Adequate strategy and proper management of intellectual property help companies recover their investments. Moreover, investing in the protection of business identifiers as intellectual property on the basis of a



well-written business identity management strategy creates a prerequisite for companies to make additional profit.

### References

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