

BUSINESS LESSON

THE CHALLENGES OF INTELLECTUAL PROPERTY

TEACHER'S NOTES

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The Challenges of Intellectual Property

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Vocab
matching
answers

1. a
2. i
3. d
4. l
5. g
6. b
7. j
8. k
9. h
10. e
11. c
12. f

Video answers

1. Pointer started 10 years ago in the Netherlands.
2. Pointer's goal is to prevent people from getting ripped off.
3. The company uses software's specialists and investigators to monitor websites, manufacturers, and sellers to see if they are stealing companies' ideas, and then they stop them.
4. He is a Business Correspondent and TV host of Business Debate.
5. He is Pointer's Head of Operations in the United States.
6. He grew up in Hong Kong.
7. He knew it was a counterfeit after washing the product twice when it went out of shape.
8. Pointer's experience has found that the counterfeiting industry may fund different types of criminal activities such as prostitution, drugs, or any criminal organised activity with only 1% of their profit.
9. Consumers need to be aware of what is going on, so next time they are more careful when they make a purchase on the Internet or they buy a counterfeit product.
10. It is a little bit of both. Because Pointer protects the owner of the brand and the brand's value as well. Also, they wish to protect the consumer.
11. When a product is sold usually at retail for ten dollars and it is sold for only two, you know it is a counterfeit product.
12. Some consumers are aware of the counterfeits, but there are other consumers that are just fooled. Some counterfeits are of excellent quality and their price is not that low. That is how consumers get fooled while infringers profit from the great brands out there.
13. He is Pointer's CEO and founder.
14. They monitor all the marketplaces, websites, and identify a large volume of activity. It is very difficult because they use genuine pictures which are stolen from elsewhere.
15. Yes, they do. They can remove hundreds of listings on a website, shut down web shops and social media profiles.

Warmer questions

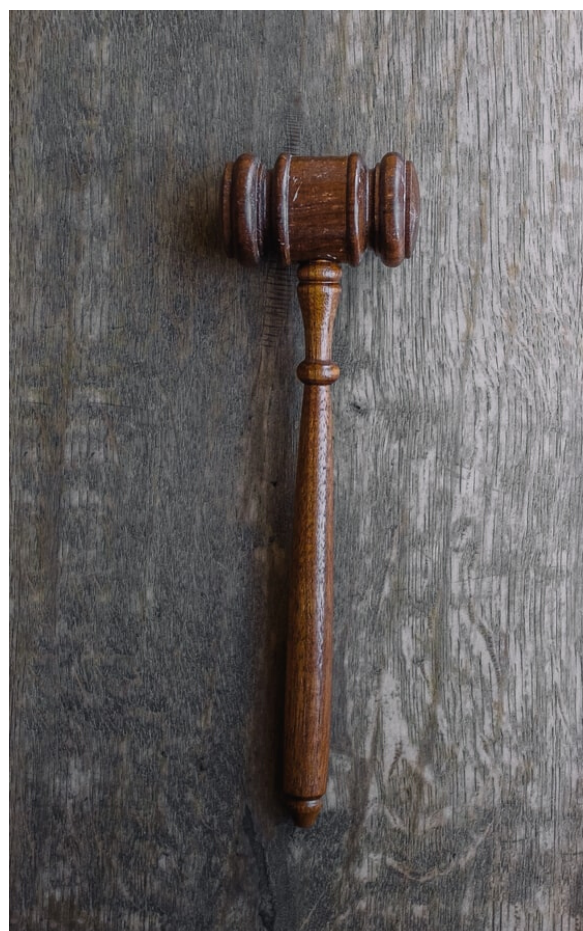
- Can ideas be property? Can ideas be assets?
- Can you think of any companies which produce no tangible product, but only ideas?
- Have you had any ideas that were your own stolen?
- What can companies do to lower the risk of patent theft?

Reading section

The high stakes game of patent law

The notion of intellectual property (IP) has become increasingly more significant as the economy worldwide has begun to change into what is identified as an information economy – an economy with an increased emphasis on informational activities. This insight has changed what is considered valuable at the present time. In this sense, instead of physical objects, or belongings, the most important form of property is now intellectual, or the inventive products of the human mind. The four types of intellectual property include:

- Trade Secrets (protects secret information: Coke formula)
- Trademarks (shields brands: Apple, Samsung)
- Copyrights (protects works of authorship: books, movies, drawings)
- Patents (protects functional or ornamental features: Swipe feature or iPhone design).



IP proponents claim that, just as physical property is granted legal protection, so intellectual property is to receive similar protection. That is, no one else can use that protected idea without permission from the owner. Opponents of intellectual property argue that ideas, just because they are intangible, cannot be owned.

A quick look at the number of lawsuits on intellectual property rights stresses how easily one person or company can infringe on another's rights, even unintentionally. For instance, Samsung was required to pay \$548 million in December 2015 as part of the epic Apple v. Samsung cases. In 1990, Polaroid's case against Kodak over instant cameras resulted in a \$909 million verdict. This particular intellectual property lawsuit case led to an injunction which shut down Kodak's instant camera business.

Questions to consider:

- International piracy of IPR represents one of the most significant foreign policy issues for many industrialized countries. Why have most of the international treaties on IPR protection been generally ineffective in dealing with piracy in the developing world?
- The companies –both large and small– that are involuntarily disclosing their inventions and ideas before creating a patent are causing a “leakage”. Does this necessarily mean that those companies may never be in a position to control its IP rights?
- It can take three to five years to reach the stage of a fully granted patent. Are inventors advised that they might have to hold an application for that length of time before they can consider selling the patent?
- A professionally drafted patent application will normally cost between £3,000 and £6,000 in the United Kingdom. The costs of intellectual property can add up rapidly, especially for a small business. How can a start-up company afford these pricey administrative and legal fees?



Vocabulary matching

Using the words on the left match them to their real definitions.

Vocab Meaning	Meaning
1. Counterfeit	a. made in imitation of something else with intent to deceive: forged counterfeit money; a counterfeit diamond.
2. Infringe	b. if you flag up something such as a problem, you bring it to someone's attention.
3. CEO	c. truly what something is said to be; authentic.
4. Consumer	d. a chief executive officer, the highest-ranking person in a company or other institution, ultimately responsible for making managerial decisions.
5. Get fooled	e. a financial gain, especially the difference between the amount earned and the amount spent in buying, operating, or producing something.
6. Flag something up	f. cease (or cause something to cease) business or operation.
7. Rip off.	g. a person who has been tricked or deceived into appearing silly or stupid: to make a fool of someone.
8. Brand	h. buy
9. Purchase	i. to encroach upon in a way that violates the law or the rights of another infringe a patent.
10. Profit	j. a copy
11. Genuine	k. a type of product manufactured by a particular company under a particular name.
12. Shut down	l. one that utilizes economic goods: many consumers make purchases on the Internet.



Video: The Challenges of Intellectual Property

The video below is an interview discussion with two business leaders discussing their new company and how they developed IP for it. The production is part of the London Stock Exchange and aims to provide insight into the future of business and what leaders are currently working on.

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Watch the video and then answer the questions below

1. When did Pointer start?
2. What is the aim of Pointer?
3. How does Pointer achieve this?
4. Who is David Foster?
5. Who is Ben Mok?
6. Where did Ben grow up?
7. How did Ben know a product was a counterfeit as he grew up?
8. What has Pointer found out?
9. What do consumers need to do?
10. Does Ben Mok feel a moral duty or a financial duty?
11. How do you know a product is counterfeit?
12. How do consumers get fooled?
13. Who is Robert Stolk?
14. How do Pointer's specialists operate?
15. Do they have software systems to flag counterfeiting up?

Advantages of intellectual property

- Trade secrets, patents, copyrights, and trademarks all provide vital protection from an idea and product theft. If said product or idea is stolen, the protected creator can pursue legal action.
- Intellectual property helps innovators to turn ideas into commercially successful products and services.
- Trademarks allow individuals to build legitimate brands and create solid companies.
- Copyright ensures that an author continues to own his or her artistic creation (movies, books, artwork, etc).
- Having the IP to your ideas means your company instantly becomes more valuable and also becomes more attractive to investors.
- You gain authority and expertise in your field of creating or developing a patent.

Disadvantages of intellectual property

- Intellectual property rights (IPR) lawyers, court costs, settlement fees, filing fees and several other costs can add up rapidly, making protection of IPR expensive for even very large companies.
- The degree to which similar trademarks infringe upon a business is a matter for debate in a civil action with related cost.
- One downside of the trade secrets protection is that competitors may be able to “reverse engineer” the protected product or idea, discover the secret and be then entitled to use it.
- Copyright and some patents can be given to works that do not deserve protection under the law.
- There are companies which buy patents for the sole purpose to take legal action against other companies in the hope of gaining compensation. These so-called ‘patent trolls’ are predatory and exhaust the efforts of real inventors and designers.

Potential debating topics

- Abolishing IP rights would not cause significant damage to the economy.
- At present, US patent law states that patents must have a 'human authorship' requirement. This is now redundant with the onset of AI. If a programme develops new code or creates a new symphony, it should belong to the AI machine.
- Intellectual property rights have slowly become meaningless as some countries encourage the theft of IP.
- Patents disputes take years to resolve. If two tech companies go to court it may take 15 years to solve the problem while the patented tech may have become outdated. Patent law is outdated for protecting innovation in modern times.



DEBATING PLANS

PREMIUM 30-PAGE DEBATING LESSONS ON DOZENS OF TOPICS

These lessons are extensive and includes a magazine-like introduction, a 2-page article, vocabulary section, grammar exercises, and images for discussion. To help students organize their debate, worksheets are included for appropriate language and pros and cons to get them started. In total these lesson plans offer 30 pages of activities and tasks for students.

Environmental Crimes

Debate Lesson Plan

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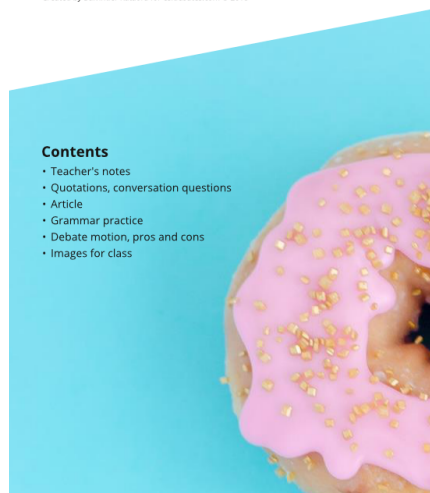


Should natural features be given legal rights to protect them from pollution? This debate will target issues relating to how to legally protect the environment and criminalise pollution.

Food Tax

Debate Lesson Plan

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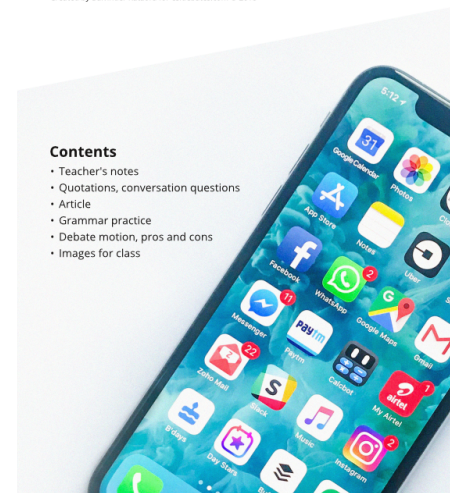


What are the best ways to tackle obesity? Some people advocate better food education, while others want to tax people to change their spending habits. Which is the most effective?

Social Media

Debate Lesson Plan

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People are becoming increasingly concerned about social media. Discuss the main issues and find out what your students think and why.