



European IPR Helpdesk

Case Study

Managing confidentiality when starting a business

December 2015

Company details

Business sector : Wedding-related services

Type of company : SME



1. Background

Monica Talpalaru is a Romanian entrepreneur planning to start an on-line business based on an innovative concept.

With a visionary idea in mind, she needed assistance for the business development and the registration of the company trade mark.

In contacting specialised companies that could provide such services, she was concerned about disclosing her idea of business; a third party could have started a similar activity and/or used a similar brand even before her.

She contacted several companies offering the services she needed, but she was not satisfied with the confidentiality clauses these companies proposed in their

pre-drafted consultancy agreements. In particular, they did not provide any specific confidentiality obligation but just a general reference to “labour ethic”, a vague concept that would have been very difficult to enforce in case of need. Therefore, she decided to contact the European IPR Helpdesk to have support on the management of confidentiality issues and to have a template of a Non-Disclosure Agreement (NDA) which she could use in the negotiation of the consulting service contracts.

2. Actions undertaken

The European IPR Helpdesk analysed the matter and advised her on the whole process of protecting confidential information.

In particular, the team of the European IPR Helpdesk explained that when starting an innovative business, in order to protect the economic values related to confidential information, it is of utmost importance to set up confidentiality agreements (i.e. NDAs) in order to secure the exchange of confidential information towards potential business partners and consultancy firms.

Indeed, new businesses are usually based on pioneering business concepts and appealing brands whose secrecy is a condition to avoid third parties unfairly using this information in their own business.

With specific reference to trade marks, their registration is granted according to the principle of “first to file”: the first party to file a trade mark application owns the right to the mark. As a consequence, the disclosure of the conceived brand before filing a trade mark application could create a risk of losing the right to the mark due to earlier applications by third parties.

The European IPR Helpdesk also indicated that English templates of NDAs are available on the European IPR Helpdesk website and that there is the opportunity to obtain forms in other European languages by contacting a local European IPR Helpdesk Ambassador.

As a consequence, Monica contacted an Ambassador in Romania to obtain a template in Romanian and, with the assistance of a local lawyer, drafted a NDA according to her specific needs.

3. Results

Monica asked the contacted consultancy agencies to sign the drafted NDA and finally she engaged one firm which undertook the confidentiality obligations. As a result, she was able to safely illustrate her project in detail, receiving a tailored service in line with her expectations and business perspectives.

Monica is currently the owner of a Community trade mark application and her idea has been converted in an innovative profitable business.

4. Lessons Learned

Before starting the development of commercial activities with the support of external business partners, it is crucial to protect confidential information that can have a significant economic value.

In this regard, signing a Non-Disclosure Agreement, drafted with the assistance of a local lawyer, can prevent prejudicial disclosure of ideas affecting the success of a business at its early stages.

The free of charge services offered by the Enterprise Europe Network and the European IPR Helpdesk are specifically created to ensure that European SMEs can have access to all necessary information for the successful management of intellectual property rights.

GET IN TOUCH

For comments, suggestions or further information, please contact

European IPR Helpdesk
c/o infeurope S.A.
62, rue Charles Martel
L-2134, Luxembourg

Email: service@iprhelppdesk.eu

Phone: +352 25 22 33 - 333

Fax: +352 25 22 33 - 334



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ABOUT THE EUROPEAN IPR HELPDESK

The European IPR Helpdesk aims at raising awareness of Intellectual Property (IP) and Intellectual Property Rights (IPR) by providing information, direct advice and training on IP and IPR matters to current and potential participants of EU funded projects. In addition, the European IPR Helpdesk provides IP support to EU SMEs negotiating or concluding transnational partnership agreements, especially through the Enterprise Europe Network. All services provided are free of charge.

Helpline: The Helpline service answers your IP queries within three working days. Please contact us via registration on our website – www.iprhelppdesk.eu – phone or fax.

Website: On our website you can find extensive information and helpful documents on different aspects of IPR and IP management, especially with regard to specific IP questions in the context of EU funded programmes.

Newsletter and Bulletin: Keep track of the latest news on IP and read expert articles and case studies by subscribing to our email newsletter and Bulletin.

Training: We have designed a training catalogue consisting of nine different modules. If you are interested in planning a session with us, simply send us an email at training@iprhelppdesk.eu.

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