

one step ahead

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AFC

S O L I C I T O R S

confidential information

Most business clients hold confidential information. Many readers will have read about the litigation in the Douglas v Hello! Case. On 2nd May 2007 the House of Lords found in favour of OK! Magazine (the Douglases had won in an earlier hearing).

The case is important because it looked at rights of confidentiality and tried to set out important principles for the future. As many people may know, the case concerned the wedding of Catherine Zeta Jones and Michael Douglas. OK! magazine paid £1 million for exclusive pictures and cameras carried by guests were banned. However, Hello! bought poor quality photographs taken by a secret photographer.

The law of confidentiality is vital in many other business areas. Frequently, employees take customer lists and other confidential information with them when they leave. It is important to understand the extent of the right of confidence and what can be restrained. In this case, the House of Lords overturned the Court of Appeal and said as OK! had bought exclusive rights it could stop publication by Hello!. Publication of the pictures taken by a photographer who illicitly gained entry to the wedding was a breach of confidence.

Even if the photographer had not signed a confidentiality agreement the obligation of confidence existed. It was held the couple had succeeded in making it clear to everyone the wedding was confidential. It was not the same as if they had walked down a main street and been photographed in London on an outing together.

In March 2007 the House of Lords refused to hear an appeal in the human rights/privacy case of McKennitt. The Court of Appeal in that case, held that McKennitt could stop a book which revealed personal details about her which she was entitled to keep private. She objected to passages about her sexual and personal relationships, the death of her fiancé and her feelings.

No less important are the efforts businesses go to in order to protect confidential information. They should ensure that, before disclosing business secrets to potential business partners or buyers of a business, they have a non disclosure agreement (NDA) drawn up and signed. It is also wise to put the words 'confidential' on confidential documents and ensure employees are adequately informed about the law on confidentiality. If trade secrets are taken, a court order can be obtained on an emergency basis to restrain the disclosure and retrieve the information. Please contact us for further information on this area.

Home Information Packs



The Government announced on the 22nd May that the launch of its new Home Information Packs (HIPs) initiative will be delayed by two months; commencing now on 1st August instead of 1st June.

The Government has also revised the regulations and the main changes are:-

- From August 1st, HIPs will be required only for the sale of four bedroom properties and larger. The intention is to phase in HIPs for smaller properties at some, as yet undecided, later date as sufficient energy assessors become ready to start work.
- Until the end of the year, people will be allowed to market their properties as soon as they have commissioned a HIP - rather than making them wait until they have actually received it.

HIPs have been introduced by the Government with the intention of making the home buying process more efficient and transparent and to encourage increases in the energy efficiency of residential property. The new Energy Performance Certificate, which will form part of all HIPs, is a key plank in the Government's strategy to combat climate change. It will give potential purchasers details of the energy efficiency of a property, for example how well insulated it is, as well as an indication on how the energy efficiency of the property could be improved.

HIPs have changed significantly since they were first envisaged and there are likely to be further changes in the future. We will monitor the changing requirements and regulations in relation to HIPs to ensure that our clients are best served.

If you need any information on HIPs, please contact us.

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carers' new flexible working rights



Many of you will be familiar with the right for parents to request flexible working, but from 6th April 2007 this has been extended also to carers.

The Government estimates that about 2.6 million carers potentially may benefit from flexible working rights under the Work and Families Act. Other measures previously introduced include;

- extending paid maternity and adoption leave to 9 months;
- introducing two weeks paid paternity leave;
- up to 13 weeks parental leave for parents of young and disabled children; and
- the right to a reasonable amount of unpaid time off work to deal with any emergency involving a dependant.

The definition of a Carer is an employee who is, or expects to be, caring for an adult who:

- is married to, or the partner or civil partner of the employee; or
- is a near relative of the employee; or
- falls into neither category but lives at the same address as the employee.

The definition of a relative includes parents, parents-in-law, adult child, adopted adult child, siblings (including those who are in-laws), uncles, aunts or grandparents and step-relatives.

The Government has recently announced that its plans for 6 months additional paternity leave are likely to be postponed until 2009 at the earliest, to allow for further consultation.

Please contact us for further information on this subject.

property changes: business leases and residential tenancy deposits

Many of our clients rent business premises, sometimes under long term business leases. A new Code for Leasing Business Premises has now been agreed. It is always wise to take legal advice on commercial leases. The new Code is a result of collaboration between commercial property professionals and industry bodies representing both owners and occupiers.

The Code is divided into three parts:

- 10 point requirements for landlords to ensure that they are Code compliant;
- a guide for occupiers; and
- a model Heads of Terms.

No one is obliged to follow the code and not all landlords will want to offer Code compliant leases however the Government is keen to encourage people to follow the code.

Another change our clients need to consider is the new deposit scheme of private tenants' deposits to be held by landlords which came into force on 1st April 2007.

Anyone with a property issue should contact us for further information and advice. Some landlords are not yet compliant with the scheme when in fact they should be.

Budget changes

Since the last issue of this newsletter went to print, the Budget has taken place and many tax changes will affect our clients.

There are the usual increases in allowances and closing of tax loopholes. Anyone who was hoping to avoid buying an annuity with their pension fund and pass the fund on to their children has had that plan blocked in most cases.

For the 2007/2008 tax year the single person's allowance is set at £5225 which is the amount (for most people) that can be earned before tax is payable. The budget also set some tax rates for future years. From 6 April 2008, the 22% rate will be reduced to 20% which is the lowest basic rate tax level for 75 years and the 10% rate will be restricted to savings income and capital gains.

As for national insurance, the current rate for employees is 11% for income up to the upper cap. For the tax year 2009/10 onwards, the upper earnings limit for national insurance contributions will be aligned with the point at which the higher rate of income tax becomes payable after personal allowances have been taken into account. In other words there will be one earnings level at which higher rate tax

becomes payable and below which the 11% NI is charged.

National insurance is levied at 1% above that level, making the effective combined higher rate of tax and national insurance 41%.

Inheritance tax for 2007/2008 is payable when the estate is £300,000 or over. However we can help advise you as to how to minimise the tax particularly through use of a will, leaving up to that sum to children rather than a surviving spouse, to take advantage on the first death of that nil rate band.

In terms of pension contributions for 2007/2008, individuals can put 100% of their annual earnings into a pension scheme or £225,000 whichever is the lower. This can be useful if an inheritance is received and the individual would like to use all their annual tax band for the pension or they live on investment or a spouse's income and wish to save the entirety of their earnings.

Also the Finance Act 2007 will define a Managed Service Company and treat income received from such an entity as subject to both PAYE and national insurance contributions from 6 April 2007. Any clients who make use of such companies should contact us for advice on this or on any other budget topic.

patent law, inventions and yoga positions!



In the UK, the Patents Act 1977 enables businesses to register inventions and obtain valuable protection usually for up to

20 years. Many of our clients patent their inventions in several countries to enable them fully to exploit and protect their rights.

We can advise you on issues such as ensuring confidentiality until a patent is applied for, where and what can be patented and how to license your rights to others in return for royalties. Patent licences need to be very carefully drafted.

There are also strict rules on which inventions employees will own and which the employer will own. In essence, those products in the course of the employee's normal duties, or duties specifically assigned to him or her, will be owned by the employer.

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In a recent development, patenting of 'yoga positions' has been examined. The US Patent Office has apparently granted 150 yoga-related copyrights (in the US some copyright can be 'registered') and 2,315 yoga trademarks. The Indian government however is having old Sanskrit and Tamil texts translated and cataloguing ayurvedic medicines. The information will be made available in five languages so patent offices around the world can access it.

Patents are not available for information already in the public domain or in use so these texts may show some patents now applied for should not be granted.

US-based yoga instructor Bikram Choudhury insists that "his" sequence of 26 bikram yoga poses can only be taught by graduates of his training school who have paid him a fee.

If you would like us to advise on issues relating to inventions, patents and licensing of rights, contact us for further information.

copyright

Many readers will have read the Da Vinci Code by Dan Brown. He earlier won a case against him for alleged breach of copyright. The Court of Appeal said he was not guilty of copyright infringement, leaving the claimants with a legal bill which may be up to £3 million. The Court of Appeal said that the ideas behind both books were too general to be protected by copyright law.

In another copyright case (Nova Productions) the court of appeal looked at copyright and computer programs and said that "merely making a program which will emulate another but which in no way involves copying the program code or any of the program's graphics is legitimate". If you propose to copy another business's work, website or even ideas, contact us first for legal advice as the law can be complex. It is worth also checking the following:

- Do you know what copyright works the business holds?
- Do you make it clear material is protected by copyright? Many businesses put copyright notices on their tender documents and products.
- Do you deal with copyright in contracts with suppliers, consultants and even in conditions of sale and purchase?
- Do you fully understand who will own rights in works produced for your business?
- Do you educate employees properly about copyright matters?
- Is all copyright in the business properly licensed including where newspaper articles are copied within a company, where music is used at the premises and where photographs are used in publicity material?

Contact us for any information or contracts you may need in this field or help with litigation.

consumer credit law changes

Consumers obtained new protection from unfair and dishonest lenders from 6th April 2007 in the biggest shake-up in consumer protection law for more than 30 years when the Consumer Credit Act 2006 came into force.

The changes include a right to:

- take complaints about lenders to the Financial Ombudsman Service (FOS); and,
- challenge unfair credit agreements in court.

The new law empowers the FOS to cover all licensed lenders. It currently covers around 70 per cent of lending activity. The change means the ombudsman service will now be able to consider a wider range of complaints, from car loans to pawnbroking and from store cards to hire purchase. The FOS investigates if a lender has acted irresponsibly in giving credit or advice. It can order a lender to pay compensation, repay interest and charges, and even write off debt. The Act also introduced an unfair relationships test, which enables consumers to challenge unfair credit agreements in court. The test will make it easier for consumers who have been treated unfairly to have their cases heard, the Government says. If you offer credit to consumers you may well need advice on the new law.