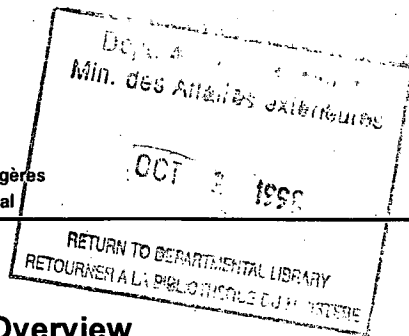




Intellectual Property Overview

In the U.S., intellectual property is regulated at the state and federal level. In Canada, it is regulated only at the federal level. Increases in international trade, changing technology and use of the internet are placing increasing pressure on both judicial systems. However, for now, the traditional intellectual property system remains intact.

Table 2 gives a summary of the types of intellectual property laws which apply to software and multimedia products.

Table 2

INTELLECTUAL PROPERTY LAW *

Type of Legal Agreement	Governing Law	Enforcement Body
Copyright Law	Federal Only	Fed. & Provinc. Superior
Patent Law	Federal Only	Fed. & Provinc. Superior
Trade Secrets	State Only	State Only **
Federal Trademarks	Federal Only	Federal or State
State Trademarks	State Only	State Only **
False Advertising	Federal or State	Federal & Provincial

* "Federal" implies both United States and Canadian Federal Government. "State" implies United States only. "Provincial" implies Canada only.

** Claims made under state law for trade secrets and trade marks may be brought to federal courts under some circumstances.

Copyright Law

The Canadian and U.S. Copyright Act protects all "original work of authorship fixed in any tangible-medium of expression". This means that the "expression" of the work is protected, and not the idea. A copyright grants protection for 50 years after the death of the author or, in the case of when the author cannot be legally identified as the owner, for 75 years (50 years in Canada) after first publication. An author in the United States must be a U.S. resident. An author in Canada may be a Canadian resident, a British