

19 June 2015

3HR Legal Weekly

Commercial

Signed Copies of Agreements

The owners of Innocent smoothies provide a lesson in the importance of obtaining signed copies of agreements – and keeping them safe

Often, significant amounts of time and energy can be spent when negotiating the finer points of a contract. Once the terms are agreed in correspondence, all too often the all important 'signing of the contracts' can fall by the wayside, with both parties carrying on as if the contract had been properly executed. Business owners should take care to ensure that all contracts are properly signed and that originals and/or copies are kept in a safe place, or risk lengthy (and costly) litigation as the recent case involving Innocent smoothies has shown.

Fresh Trading Limited, the owners of Innocent smoothies, asked the court for a declaration that it was the legal owner of the copyright in 'The Dude' logo which had been used for many years. The logo is easily recognizable – the cartoon depiction of a face with a halo. Fresh claimed copyright ownership by virtue of a contract that was made with Deepend, designers of the logo. Fresh also claimed that if it was not the legal owner, then it was the owner in equity.

Deepend argued that the contract was not signed, nor was the unsigned contract binding and so there had been no assignment of the copyright in 'The Dude' logo.

The judge found, upon review of the evidence, that the document had not been signed and so there had been no legal assignment of the logo. In addition, the judge pointed out that Fresh would have had difficulty even if the agreement had been signed, as when the contract was made, there was no work (i.e. no logo designed) in which the copyright could be assigned, only potential or future works. The position in law is that there cannot be an assignment of a future work but only an agreement to assign.

However, the judge found that there had clearly been an intention to enter into an agreement and that the consequence of this intention was to assign the copyright of future work, making Fresh the equitable owner of the copyright.

This case should serve as an important reminder to make sure all contracts are signed by the relevant parties and that they are kept safe in case they are needed for future reference. In addition, for intellectual property agreements, it should be remembered that copyright cannot be assigned prior to the creation of the works. Should you have any questions regarding your commercial contracts, including negotiation of the terms, execution queries or even intellectual property questions, please contact the dedicated Commercial Law team at 3HR Legal.

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HR

Ramadan

How can we support our Muslim employees during Ramadan? What should we be aware of?

Some employees may fast for the whole month of Ramadan between sunrise and sunset. As this year Ramadan will fall in the summer, those fasting will be avoiding food and drink for more than 16 hours each day. This may have an effect on their energy levels. In order to support your employees you could consider being flexible about working hours, duties and break times. You may be able to move their shifts to start and finish earlier during this period and should try to move any important meetings to early in the day. Encourage non-fasting employees to be considerate around those who are not eating and drinking and avoid working lunches or shared staff meals at this time.

If you employ any manual labourers where a lack of concentration could have health and safety implications, it is advisable to discuss with the employee how they plan to work during this time, and to carry out a risk assessment accordingly. It may be that the employee is willing to take annual leave or unpaid leave at this time or for part of each day. However, you cannot force an employee to take unpaid leave if they do not wish to do so.

Bear in mind that it is unlawful to treat an employee less favourably because of their religion or belief. An employee may request leave during this time or a different working pattern. You may reject an employee's requests in connection with Ramadan if you have clear business reasons for doing so. It is advisable to keep a written record of any requests and discussions with employees in order to defend any claims of religion or belief discrimination.

Ramadan is not only about avoiding food and drink. Your Muslim employees will be striving for a virtuous lifestyle. They may wish to pray more often than usual. Having a quiet and private space to do so, while not required by law, would be very much appreciated.

For more information, contact your usual 3HR Consultant.

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