



**STAFF REPORT  
ACTION REQUIRED**

**Delegation of Authority to the City Manager Regarding  
the City's Intellectual Property**

<b>Date:</b>	April 8, 2009
<b>To:</b>	Government Management Committee
<b>From:</b>	City Manager
<b>Wards:</b>	All
<b>Reference Number:</b>	

**SUMMARY**

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This report seeks to obtain approval to give specified powers to the City Manager to manage the City's intellectual property. The report describes examples of different types of intellectual property as well as examples of the types of decision-making that is required to ensure that the City's intellectual property is protected.

The report further seeks approval to authorize the City Manager to sub-delegate those powers to City staff as the City Manager deems appropriate.

This authority would authorize the City Manager to provide approvals to others to use the City's intellectual property, and to take action to protect the City's intellectual property, when necessary.

**RECOMMENDATIONS**

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The City Manager recommends:

1. that the City Manager be granted standing authority to:
  - (a) provide approvals to others to use the City's intellectual property in situations where the intended use is not for commercial purposes or there is insignificant commercial value to the use;

- (b) where required, and when such approval has no significant effect on the value of the City's intellectual property, provide approvals to others to register trade-marks similar to official marks already registered on behalf of the City and to provide similar approvals for other forms of the City's intellectual property;
- (c) impose such terms and conditions on the uses as outlined in (a) and (b) as the City Manager considers appropriate;
- (d) delegate the authority to manage specific aspects of intellectual property to City staff as the City Manager deems appropriate; and
- (e) take action as the City Manager considers appropriate to protect the City's intellectual property. This would include requesting the City Solicitor to take any necessary legal action and to instruct the Solicitor in the conduct of such action.

## **FINANCIAL IMPACT**

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The recommendation will have no financial impact beyond what has already been approved in the current year's budget.

## **ISSUE BACKGROUND**

The City's intellectual property consists of various intangible items owned by the City. Typically, these are things such as official marks, of which the City's logo is an example, and copyright in works created by or on behalf of the City. It could also commonly include such matters as Internet domain names, patents and industrial designs.

During the normal course of City business, there are numerous instances where the City receives requests for use of its intellectual property. The following are examples of some of the many types of requests the City receives about its intellectual property:

- requests by educators to use copies of Council reports as part of materials distributed to a class;
- requests by educational publishers to use City-created illustrations in a textbook for elementary students;
- requests by outside organizations to use text or images from City promotional, public information or educational materials in materials of their own;
- requests by organizations or individuals to re-post information from the City's website or to link directly to the City's website;
- requests by film companies for permission to include the City logo as it appears on a garbage can, taxi or other application that appears in the background of a scene in a film;
- requests to reproduce City maps in publications; and

- requests by other municipalities to use information, designs or software solutions created by City of Toronto staff for their own municipality's use.

In addition to requests to use the City's intellectual property, City staff occasionally encounter situations where third parties are attempting to misuse intellectual property that either belongs to the City or that attempts to capitalize on the City's intellectual property. For example, a City logo or mark could be used without City permission as part of a brochure supporting a commercial enterprise or a domain name can be registered that attempts to capitalize on the City's name or reputation.

Similarly, the City is often requested to give permission to third parties seeking to register a trade-mark that is similar to one owned by the City. This has occurred most frequently with requests for the use of the word "Metro" which is an official mark owned by the City. These requests for permission are put to the City even when the word is to be used in a different geographic region for a purpose dissimilar to use made by the City. As an example, Council has previously approved the registration of the trade-mark "Metro" on behalf of a company operating in British Columbia marketing health care products, even though the City itself owns an official mark for the name "Metro".

The frequency with which these types of matters have arisen appears to have increased over the past few years. Arguably, the rise of the Internet, a greater awareness of the value of intellectual property and increased access of one person to another's property through current technology such as computers and the Internet, have led to an increase in both requests to use the City's intellectual property and improper use of such property.

Pursuant to section 4 of Chapter 169 of the Municipal Code, the City Manager is required to manage the human, fiscal and physical resources of the City. No specific reference is made in that section to intangible assets, such as intellectual property, other than fiscal resources.

## **COMMENTS**

At this time, in order to address the types of matters identified above for which no standing or other authority is currently in place, typically a report to Council has been submitted for each such matter. This means that a somewhat lengthy process has to be followed using staff resources for matters that are usually very minor and that frequently require quick approval or action to be useful. This leads to delay, unnecessary paperwork and an inefficient use of staff resources.

In light of this, it is recommended that Council provide the City Manager with standing authority to manage the City's intellectual property as described in the Recommendations.

Adopting the recommendations will help improve organizational efficiency, eliminate reporting processes for typically minor matters and enable a more effective use of staff and Council time and resources. If a situation arises where it is necessary to have the

City Solicitor take action to protect the City's intellectual property, any expenditure in respect to the action would have to be within the City Manager's existing authority.

It should be noted that there will be limitations on this standing authority. Specifically, if a situation arises where the intellectual property at issue may be used for some commercial purpose, or could potentially be of some significant commercial value, Council approval for its use would continue to be required. For example, if the City developed an item of software that could have some significant commercial value, Council approval would have to be obtained for the use. However, Council approval would not have to be obtained if the software were being shared with another municipality which would not be using it for a commercial purpose. Despite this, the City Manager could always elect to seek Council approval for the use even if it was for a non-commercial purpose.

## **CONTACTS**

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## **SIGNATURE**

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