

Intro to Intellectual Property Law: Issue Spotting for the General Practitioner

Presented to:
Douglas County Bar Association

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December 15, 2011

Overview of Topics

- Role of intellectual property & its importance to general practitioners
- Brief discussion of the classic types of intellectual property & differences in the protection that each affords

Role of Intellectual Property

"I believe in intellectual property. In my view, it's the foundation of world economics Copyright, trademark, patent – I believe in them all. I also believe in innovation and competition – and that these beliefs are not mutually exclusive."

— Jonathan I. Schwartz

"The future of the nation depends in no small part on the efficiency of industry, and the efficiency of industry depends in no small part on the protection of intellectual property."

— Judge Richard Posner

Important Exclusion

- No intellectual property protection for mere ideas

"If nature has made any one thing less susceptible than all others of exclusive property, it is the action of the thinking power called an idea, which an individual may exclusively possess as long as he keeps it to himself; but the moment it is divulged, it forces itself into the possession of everyone, and the receiver cannot dispossess himself of it. Its peculiar character, too, is that no one possesses the less, because every other possesses the whole of it. He who receives an idea from me, receives instruction himself without lessening mine; as he who lights his taper at mine, receive light without darkening me."

— Thomas Jefferson

- Can only protect an idea + (something more)

Types of Intellectual Property

- Patents
 - Inventions
- Copyrights
 - Creative works of expression
- Trademarks
 - Source identifiers / brand names
- Trade Secrets
 - Confidential information with value

Patents

Coverage for Inventions

Machines / Devices
Processes / Methods

Patents – Basis

- Provided for in the U.S. Constitution, Article I, Section 8:
- The Congress shall have power ...
“to promote the progress of science and **useful arts**, by securing for limited times to authors and **inventors** the exclusive right to their respective writings and **discoveries**”

Patents – What Are They?

- A US Patent is a property right to exclude others from making, using, selling, or importing the invention
 - Not a right to practice, just to exclude others
 - Limited in time (patents have defined terms)
 - Limited in geographic scope (US)
 - Limited to claimed invention
 - No automatic enforcement

Patents – What is Patentable?

- In order to be considered “patentable,” an invention must be:
 - Proper subject matter (35 USC § 101);
 - Useful (35 USC § 101);
 - New (35 USC § 102);
 - Non-obvious (35 USC § 103); and
 - Properly disclosed (35 USC § 112)

Patents – Subject Matter

- Statutory classes include any new and useful:
 - Process;
 - Machine;
 - Manufacture, or
 - Composition of matter, or
 - Any new and useful improvement thereof
- Anything under the sun that is made by man
- Excludes laws of nature, physical phenomena, abstract ideas

Patents – Types

- Utility
 - Protection for functional, structural, or other utilitarian aspects of inventions
 - Term of 20 years (from filing date)
 - Plant patent available for invention/discovery and asexual reproduction of new variety of plant
- Design
 - Protection for ornamental aspects of inventions
 - Term of 14 years (from issue date)

Patents – Nonexistent Types

- International
 - Virtually all industrialized countries have their own patent systems
 - The PCT can be used as an international patent **application**, but there is no such thing as an international patent
- Provisional
 - In the US, an applicant can file a provisional patent **application**, but there is no such thing as a provisional patent

Patents – Acquisition

- Preparation & filing
 - Applicant must be true inventive entity
 - Can be assigned to company
- Examination & prosecution
 - Many applications initially rejected
- Issuance
 - Maintenance fees
- Post-issuance challenges

Patents – Common Misconceptions

- A patent provides a right to use the invention
 - **No** – only the right to exclude
 - May be a dominating patent or requirement for regulatory approval
- A patented product is better
 - **No** – at least not necessarily so
 - Only useful, new, & non-obvious
- An old product can be patented for a new use
 - **No** – a known product cannot be novel (new)
 - A new method of using the product, however, may be patentable (e.g., pharmaceuticals)

Patents – Common Pitfalls

- Statutory time bars
 - Public disclosures or commercial activities
 - US has a 1-year grace period
 - Many foreign countries have no grace period
- Employment agreements
 - Applicant must be the true inventor(s)
 - Duty to assign can be in employment agreement
 - No “work for hire” concept in patent law
- Duty of candor
 - Must disclose known information “material to patentability” to the PTO
 - Infringers can & will assert affirmative defense of inequitable conduct to hold unenforceable

Copyrights

Coverage for creative works of expression

Music, Movies, Writings, Artistic Works

Copyrights – Basis

- Provided for in the U.S. Constitution, Article I, Section 8:
- The Congress shall have power ...
“to promote the progress of **science** and useful arts, by securing for limited times to **authors** and inventors the exclusive right to their respective **writings** and discoveries”

Copyrights – What Are They?

- In its most basic sense, copyright is the legal right to copy an original work of authorship fixed in any tangible medium of expression
- The copyright owner has the exclusive right to do and/or authorize:
 - Reproduction of the work
 - Distribution of copies of the work
 - Performance of the work
 - Display of the work
 - Preparation of derivative works

Copyrights – Protectable Works

- Copyright protection subsists in original works of authorship fixed in any tangible medium of expression, from which they can be perceived, reproduced, or otherwise communicated, including:
 - Literary works;
 - Musical works, including any accompanying words;
 - Dramatic works, including any accompanying music;
 - Pantomimes and choreographic works;
 - Pictorial, graphic, and sculptural works;
 - Motion pictures and other audiovisual works;
 - Sound recordings; and
 - Architectural works
- Copyright protects the particular expression of the idea, but not the underlying idea itself

Copyrights – Unprotectable Works

- Copyright protection does not extend to the following types of material:
 - Works that have not been fixed in a tangible medium of expression;
 - Titles, names, short phrases, and slogans;
 - Familiar symbols or designs;
 - Variations of typographic ornamentation (e.g., fonts);
 - Mere listings of ingredients or contents;
 - Ideas, procedures, processes, systems, methods of operation, concepts, principles, discoveries, or devices;
 - Works consisting entirely of information that is common property and which contains no original authorship (e.g., height and weight charts, tape measures, calendars, etc.);
 - US government works;
 - Facts

Copyrights – Duration

- Works created on or after January 1, 1978
 - Individual authors – copyright persists for the life of the author plus 70 years after the author's death
 - Joint authors – copyright persists for the life of the last surviving author plus 70 years after that author's death
 - Anonymous works, pseudonymous works, and works made for hire – copyright persists for 95 years from the year of first publication, or 120 years from the year of creation, whichever is shorter
- Works created before January 1, 1978, have a copyright duration that will vary depending upon when the work was created and/or published

Copyrights – Registration

- Registration is **not** required for copyright authors
- Copyright rights arise automatically upon the fixation of original works of authorship in a tangible medium of expression
- Registration does provide valuable benefits
 - A work must be registered before an infringement action can be brought in court
 - Statutory damages and attorneys' fees can be sought only for works that were registered prior to the infringement

Copyrights – Notice

- Notice of copyright is **not** required for works first published on or after March 1, 1989
- Marking with notice does provide benefits
 - Evidence to the public of an intent to enforce rights
 - Negates an innocent infringement defense
- Marking should include three elements:
 - The symbol © or the word "Copyright"
 - The year of first publication of the work
 - The name of the owner of copyright in the work

Copyrights – Common Pitfalls

- Copyright is distinct from a tangible copy of the work itself
- Paying for the creation of a copyrightable work (e.g., computer program, brochure, website, etc.) does not necessarily transfer ownership of the copyright in the work
 - Work for hire is often used incorrectly
 - Only 10 statutory classes (see 17 USC § 101)
- Be very careful with independent contractors
 - A written assignment can alleviate issues

Trademarks

Coverage for source identifiers /
brand names used in commerce

Names, Logos, Slogans

Trademarks – Basis

- Provided for in the U.S. Constitution, Article I, Section 3:
- The Congress shall have power ...
“to regulate commerce ... among the
several states”

Trademarks – Basis

- Fundamental principles of trademark law come from tort theories
 - Prevent unfair competition
 - Protect a trademark owner’s investment in the goodwill associated with its product
 - Prevent fraud (consumer protection)
 - Avoid customer confusion

Trademarks – What Are They?

- A trademark is any word, name, symbol, or device, or any combination thereof
 - Used by a person, or which a person has a bona fide intention to use in commerce
 - To identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown
- Analogous definition for service marks
- Protection also available for certification marks, collective marks, & trade dress

Trademarks – Classifications

- Inherently distinctive
 - Fanciful
 - Arbitrary
 - Suggestive
- Require secondary meaning
 - Descriptive
- No protection
 - Generic

Trademarks – Classifications

- Fanciful marks
 - Made-up or coined terms
 - Strongest marks, but require a lot of advertising and effort by the owner to educate public as to the meaning
 - Examples include:
 - Exxon
 - Kodak
 - Xerox

Trademarks – Classifications

- Arbitrary marks
 - Words or terms used other than for their usual meaning (no relation to the goods/services)
 - Also strong marks, as it takes a lot of effort by the owner to educate the public that this word or term is a source identifier
 - Examples include:
 - Apple (for computers)
 - Lotus (for software)
 - Mobil (for gasoline)

Trademarks – Classifications

- Suggestive marks
 - Indirectly calls to mind the product or service, or suggests a quality or characteristic thereof
 - Still considered inherently distinctive, but not as strong as fanciful or arbitrary marks, and may be difficult to distinguish from descriptive marks
 - Examples include:
 - Jaguar (for fast cars)
 - Roach Motel (for insect traps)
 - Tide (for laundry detergent)

Trademarks – Classifications

- Descriptive marks
 - Words or terms used for products or services related to their usual meaning
 - Typically consisting of a word that describes an attribute of the product, is primarily a surname, or is a geographic term relevant to the product
 - Can be registered on the Primary Register only after obtaining acquired distinctiveness (secondary meaning)
 - Can be registered on the Supplemental Register after use
 - Examples include:
 - The Mutual Fund Store (for mutual fund management services)
 - App Store (for application distribution services) [opposition]
 - Hyatt (for hotels) [has obtained secondary meaning]

Trademarks – Registration

- Trademark rights all boil down to use
- Registration is **not** required
- Registration does provide valuable benefits
 - Nationwide constructive use & priority
 - Treble damages and attorneys' fees can be sought
 - Ability to sue in federal court and/or have customs block importation of goods with infringing mark
 - Deterrence by proper use of the ® symbol & increased ease of discovery in searches
 - Mark can become incontestable with respect to ownership, descriptiveness, and prior usage rights of confusingly similar marks

Trademarks – Notice

- The ® symbol for registration notice should be used only when a registered mark is used in connection with goods or services listed in the registration
- The "TM" symbol may be used when a mark is not registered or when a registered mark is used for goods or services not listed in a registration

Trademarks – Common Pitfalls

- Risk of "genericide" through improper use
 - Proper use of a trademark is as an adjective (not as a noun or a verb)
 - Tricky paradox (Google and Xerox struggle with this)
 - As an example, Bayer's trademark of "Aspirin" for acetylsalicylic acid is now generic
- Improper identification of the owner of the mark during registration application
- Errors or omissions in the classification identification and/or the listing of goods or services

Trade Secrets

Coverage for confidential information
with economic value

Formulas, Recipes, Customer Lists,
Processes

Trade Secrets – Basis

- Principles of trade secret law come from tort theories
 - State common law
 - Restatement of Torts § 757 (1939)
 - Restatement 3d of Unfair Competition § 39 (1995)
 - State statute
 - Uniform Trade Secrets Act (UTSA)
 - Adopted in Kansas, K.S.A. 60-3320 *et seq.*

Trade Secrets – What Are They?

- A trade secret is information, including a formula, pattern, compilation, program, device, method, technique, or process, that
 - Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and
 - Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy
- Duration – until information is disclosed (authorized or unauthorized)

Trade Secrets – Elements of Claim

- Eligible subject matter
 - Economically valuable information
 - Not generally known or readily ascertainable
- Reasonable efforts to keep secret
 - Examples: limited access, NDAs, CAs, “proprietary” notation, inventory of copies
 - Efforts are not unreasonable just because more could have been done
- Misappropriation
 - Improper (not necessarily illegal) means
 - Violation of an obligation (express or implied) of confidentiality

Trade Secrets – Common Pitfalls

- Risk of information being ascertained
 - Properly
 - Independent invention, reverse engineering, public disclosure
 - Improperly
 - Even an unauthorized disclosure can destroy secrecy
- Loose controls or lack of appreciation for information value
 - Examples: NDAs not signed or check in/out procedures not followed
- Lack of reasonable efforts to maintain secrecy
 - Helps if efforts correlate with asserted value

Thank You!

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