

Intellectual Property Basics

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INTELLECTUAL PROPERTY LAW

What we want to do:

- Patent Basics
- Trademark Basics
- Trade Secrets
- Copyright Basics
- Q & A



KEY CONCEPT

Intellectual Property is just a Competition Tool, so a Company's IP Strategy Must Support the Company's Business Plan



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Intellectual Property Overview

- Patents – Ideas
 - Protect new, non-obvious ideas, devices, methods and some designs
 - Limited in duration
 - Must obtain patent from Patent Office



Intellectual Property Overview

- Trademarks – Indicators of Origin
 - Protect trade identity
 - Protect public interest in identification of the source of goods and services
 - Can be perpetual
 - Trademark registration not necessary but advisable



Intellectual Property Overview

- Trade Secrets
 - Protect ideas, methods, formulations
 - Must be maintained in confidence and confer a competitive advantage to owner
 - Are lost if confidentiality is breached
 - May provide defense against infringement of “business method” patents!



Intellectual Property Overview

- Copyrights – Expression
 - Protect authorship (generally does not protect functional elements)
 - Limited in duration (but long!)
 - Copyright registration not necessary but advisable in some cases



PATENTS



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What is a Patent?

- A grant by the government of a right to exclude others from practicing the invention (i.e., making, using, selling, or offering to sell the invention) for a period of time.



What is a Patent?

- A patent does not assure that the patentee can practice the invention.
- Patents are treated like personal property and can be assigned, sold, given away, inherited, or mortgaged.
- Patents also can be licensed.



Types of Patents

- **Utility Patents**
 - Protect utilitarian inventions, both animate and inanimate
- **Design Patents**
 - Protect new, original and ornamental designs for manufactured goods
- **Plant Patents**
 - You don't really care



Dates and Records

- Keep records of R&D work
- Require use of “invention disclosure forms”
- Consider an invention incentive program



TRADEMARKS



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What is a Trademark?

- Something that:
 - identifies and distinguishes goods (a trademark) or services (a service mark)
 - from those manufactured and sold by others.



Function of Trademarks

- Protect the trademark owner's investment
- Protect consumers from confusion
- Assure quality to consumers



Types of Trademarks

- *Product Shapes:*

- Gameboy



- *Container Shapes:*

- Coke Bottle



- ***Building Appearance*** (McDonald's building design)

- ***Sounds*** (NBC chimes, Harley-Davidson engine)

- ***Fragrances***



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Scope of Protection of Trademarks

- The stronger the mark, the broader the scope of protection
- Strength of mark = distinctiveness



Inherently Distinctive Marks

- *Fanciful or Coined Marks* - a term with no independent meaning; coined for the sole purpose of functioning as a trademark.



Non-Inherently Distinctive Marks

- ***Descriptive Marks*** - marks which immediately describe a purpose, function, characteristic or feature of the goods or service.



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Acquiring Trademark Rights

- In the United States – *actual use* of a mark in connection with goods or services, not registration.
- That's also how marks are infringed!
- So check for availability and registrability by working with your lawyers FIRST.



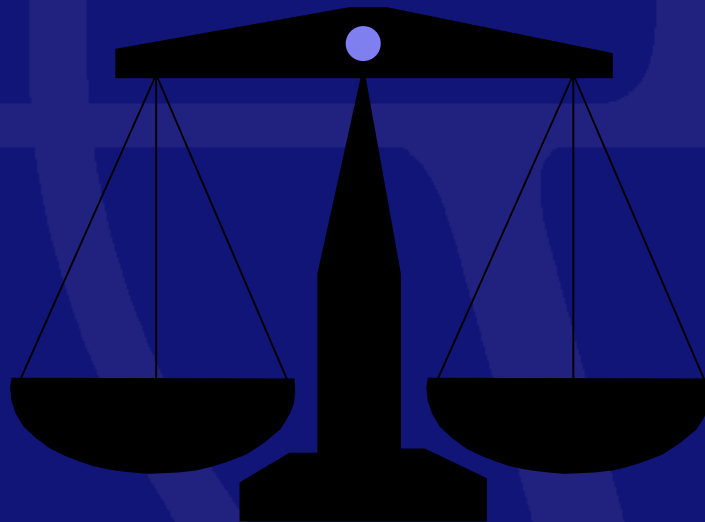
“Genericide” - How to Avoid It

- Use mark in proper manner (e.g., capitalize and bold the mark, use TM if unregistered and ® if registered).
- Use mark as an adjective with a generic name of the goods (e.g., Kleenex® tissues). Do not use the mark as a noun.
- Educate public as to trademark’s significance.
- Police misuses by others.



Registration of Marks

- While not required, federal registration provides a number of substantive and procedural advantages for trademark owners.



COPYRIGHTS



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What Can Be Copyrighted?

- Works that are original and fixed in a tangible medium, including:
 - Literary works
 - Musical works
 - Dramatic works
 - Pantomime and choreographic works
 - Pictorial graphics and sculptural works
 - Motion pictures and other audiovisual works
 - Sound recordings
 - Architectural works



Copyrights and Computer Programs

- Copyright protection is available for computer programs and some aspects of data bases.
- Protection also extends to graphics and text produced by programs.
- Copyright protection does not extend to the idea behind the program or the method of running or interacting with it.



What is not Protected?

- Copyright protection does not extend to any:
 - Idea
 - Procedure
 - Process
 - System
 - Method of Operation
 - Concept
 - Principle
 - Discovery



Copyright Comes Into Being Upon Fixation of the Work in Tangible Form

- Low level of creativity required
- Cannot copyright functional elements (in general)



Ownership of Copyright

- The author is the owner
- The “author” may be the employer if the work is a “Work Made For Hire”
 - But need a written agreement saying so if not within scope of the employee’s employment
 - Or if an independent contractor



Notice of Copyright

- **No longer required** but should be in the following form:
 - © 2013 Banner & Witcoff, Ltd. All rights reserved.
- The year stated in the notice is the year of first publication. **DO NOT USE A LATER YEAR!** Copyright could be lost.



Copyright Registration

- Not required to protect copyright
- Required in order to file lawsuit for infringement
- Should register early to have rights in an infringement suit to:
 - Statutory damages
 - Attorney's fees



TRADE SECRETS



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Trade Secrets

- Protect ideas, methods, formulations, customer lists, failed experiments, etc. etc.
- Must be maintained in confidence and give competitive advantage to the owner
- Trade secret rights are lost if confidentiality is lost, but suit can be filed for misappropriation.



OTHER FORMS OF INTELLECTUAL PROPERTY



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Other Forms of IP

There are other forms of IP in the US, for example:

- Mask works
- Contractual rights and obligations

The requirements for IP protection and the scope of protection differ from one country to another.



FINAL THOUGHTS

IP is complex, ever changing and potentially critical to effective competition.

IP strategy should support and evolve along with the business plan.



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