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# ***INTELLECTUAL PROPERTY***

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# Intellectual Property

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- **Non-real, non-dirt, non-physical intangible personal property resulting from mental processes**
- **An owner of the intellectual property has rights to protect and profit from the property**
- **The owner may be the actual creator or someone else to whom the creator has sold or assigned the intellectual property**



# Intellectual Property

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- **Patents**
- **Copyrights**
- **Trademarks**
- **Trade Names**
- **Trade Dress**
- **Trade Secrets, Confidential,  
Proprietary Information**



# Intellectual Property

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- **Federal rights**
- **State rights**
- **International protections**
- **Common law rights**



# Patent

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- ❑ A legal Monopoly granted by government.
- ❑ Allows the inventor an exclusive right to make, use, and sell an invention for twenty (20) years.
- ❑ Patent applicant's invention, to be patentable, must be new, not obvious, and useful. It cannot be obvious considering current technology and everything that has been done in the past.

# Patent

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- Utility patent protects an article (thing), the way it is made, the way it is used, the way it works; or protects a method or process.
- Design patent protects ornamental design
- Plant patent protects new asexually reproduced distinct variety of plant,

# Patent

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- **Design patents “ornamental design” means the way an article looks, not what it does, not what is inside.**
  - Lesser term protection - 14 years.
  - Lesser fees-both application fees & after-issue maintenance fees
  - “consists of the visual ornamental characteristics embodied in, or applied to, an article of manufacture.”

# Patent

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- A patent holder gives notice that an article or design is patented by placing on it the word "patent" or "pat.," plus the patent number; e.g. "Patented U.S. Patent 1,234,567"
- If a firm make, uses, offers for sale, or sells another's patented item, method, design, product, or process without the patent owner's permission, the tort of patent infringement exists.



# Requirements for a Patent

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- To obtain a patent, the new invention must be:
  - Novel – new, not known or used in this country and not published anywhere.
  - Nonobvious – cannot be an obvious thing to make or an obvious way to do something.
  - Useful – must have some use or application, even if not commercially practical.
  
  - Costs
  - Filing fees; drawing fees, attorney or agent fees
  - Prosecution fees
  - Issue Fees
  - Maintenance fees after patent issues

# Patent Application & Issuance

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- Priority Between Two Inventors – the first inventor to file for a patent can receive a patent. This assumes that the first-to-file inventor invented the invention legally and independently and did not steal the invention from someone else.
- Prior Sale or Publicity –in the U.S., must apply for a patent within one year of selling the product or publicizing it; **WARNING!-NO SUCH GRACE PERIOD IN MOST FOREIGN COUNTRIES.**
- U.S. Provisional Patent Application – Is pending for one year only, lower fees.
- Foreign Patent Applications – Each country is unique; most are expensive. A patent covers **ONLY** the country in which it issues.
- Patent Cooperation Treaty Application – also called a “PCT Application” - With one filing, initially cover most countries of any interest in the World. Within 30 months of an earliest filing date, applicant must choose which particular countries in which to seek a patent and begins paying significant fees in each country.
- Regional Patents – With one filing, covers a group of countries; e.g. via the ARIPO Harare Protocol, the Eurasian Patent Convention, the European Patent Convention and the OAPI Agreement



# Patent

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- Patent litigation is often referred to as a “patent infringement suit.” These suits are filed only in U.S. Federal Court. A Patent can be invalidated in such a suit
- Issued Patents may also be challenged or re-examined within the United States Patent & Trademark Office

There are limited actions by third parties to prevent a patent from issuing



# **Provisional Patent Applications**

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**There are Advantages & Disadvantages**

- Fees lower for a Provisional Application**
- Adequacy of Disclosure; after-filing discoveries NOT included**
- Automatically abandoned after pending one year – no exceptions**
- May be the basis for a regular U.S. Utility or foreign or PCT application if offspring application is filed within one year of the provisional application filing date**

# Copyright

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- An intangible right given to the author or originator of certain literary or artistic productions.
- Works created after January 1, 1978, are automatically given statutory copyright protection for the life of the author plus seventy years.
- Copyrights owned by publishing houses expire ninety-five years after publication or a one hundred-twenty-years from the date of creation, whichever is first.

# Copyright

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- ❑ If multiple authors, expiration is seventy years after the death of the last surviving author
- ❑ Facts are not copyrightable
- ❑ The employer is the owner of works for hire-work created within the scope of employment unless otherwise agreed
- ❑ The Berne convention provides international protection for copyright for citizens of the 96 signatory countries <http://www.cerebalaw.com/Berne.htm>

# Copyright

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- ❑ **Exists automatically upon creation of an original work but**
- ❑ **Placement of copyright symbol © *gives notice and to***
- ❑ **judicially enforce copyright requires Registration with the US Copyright Office**

# Copyright Fair Use Doctrine

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- Reproductions of copyrighted works for, "criticism, comment, news reporting, *teaching (including multiple copies for classroom use)*, scholarship, or research."



# Infringement

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- To prove a violation, the plaintiff must show that the work was original, and that either:
  - The infringer actually copied the work, or
  - The infringer had access to the original and the two works are substantially similar.

# Infringement

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- A court may:
  - Prohibit further use of the material
  - Order destruction of infringing material
  - Require infringer to pay damages
  - Require punitive damages-up to 3X damages
  - Require a party to suit to pay other side's attorney fees



# Copyright

## Fair use determination

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- 1. the purpose and character of use, including whether such use is of a commercial nature or for nonprofit educational purposes;**
- 2. the nature of the copyrighted work;**
- 3. the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and**
- 4. the effect of the use upon the potential market for or value of the copyrighted work.**



# Computers

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- Software – copyrightable aspects:
  - Codes – both source and object codes
  - Structure – how a program accomplishes a task
  - Look and Feel – the way a program looks and uses symbols



# Internet

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- Digital Millennium Copyright Act
  - Makes it illegal to delete copyright information, such as the author's name, and then distribute the work via the internet.
  - It is also illegal to circumvent encryption or scrambling devices.



# Copyright Remedies

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- ❑ **Registration with the US Copyright Office is a condition precedent to judicial enforcement of copyright.**
- ❑ **Actual damages – including profits**
- ❑ **Statutory damages (ranging from \$250 to \$10,000) imposed at the court's discretion**
- ❑ **Attorney fees**
- ❑ **Injunctions**
- ❑ **Criminal proceedings for willful violations (may result in fines and/or imprisonment).  
Need not profit from invasion**



# Copyright Examples

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- ❑ **Writings (novels, textbooks etc.)**
- ❑ **Computer Software**
- ❑ **Song writing**
- ❑ **Song recordings**
- ❑ **My PPT slides (although some parts included fair use copyrighted material from textbook authors).**

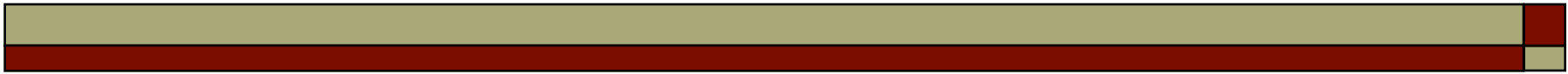


# Trade Names

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- ❑ Identifies a company, partnerships or business.
- ❑ Cannot be registered under federal law unless they are also used as trademarks or service marks (used to identify services).
- ❑ Common law protection.





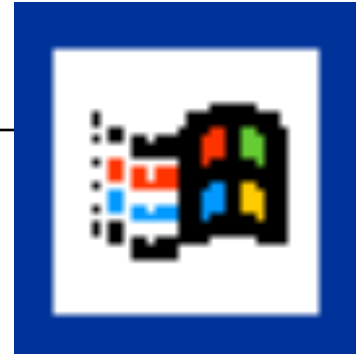
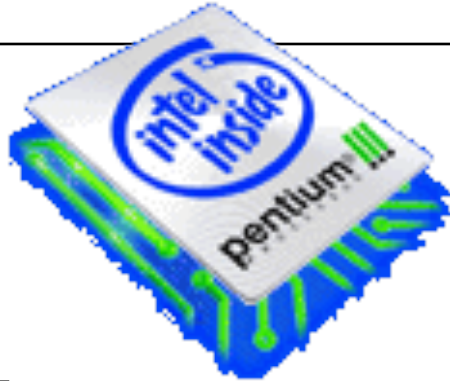


# Trademark

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- **Any word, phrase, symbol, design, sound, smell, color, product configuration, group of letters or numbers, or combination of these, adopted and used by a company to identify its products or services, and distinguish them from products and services made, sold, or provided by others**
- **A distinctive mark, motto, device, or implement that a manufacturer stamps, or prints on its goods.**

# Trademark



- Assists customer in identifying a product without confusion.
- If a business uses the trademark of another, consumers are misled as to who made the goods.



# Trademarks

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- Types of Marks
  - Trademarks—affixed to goods
  - Service marks—identify services, not goods
  - Certification marks—marks used by an organization to attest that products meet certain standards
  - Collective marks—marks that identify members of an organization



# Trademark

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- **What can be trademarked**
  - **Words that are used as part of a design or device or words that are uncommon or fanciful may be trademarked.**
  
- **What cannot be trademarked**
  - **Personal names, descriptive or generic words, or place names**
    - **Books**
    - **Pencils**
    - **Carper**
    - **Hawaii**



# Ownership and Registration

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- First person to use a mark in trade owns it.
- Registration is not necessary, but does have some advantages.
  - Protection becomes nationwide
  - Gives public notification of trademark protection
  - Damages under the Lanham Act are higher
  - Holders of registered marks have first priority to use the mark as an Internet domain name



# Requirement of Enforcement

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- An alleged infringer may claim that the Plaintiff's mark was abandoned and thus the protection lost.
  - Non use of the mark in question.
  - Intent to discontinue the use of the mark.
  - Presumptive abandonment occurs after two consecutive years of non use.
    - May be rebutted by proof of intent to resume use.

# Requirement of Enforcement

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- Legal Abandonment occurs when a trademark owner fails to protect a TM.
  - ESCALATOR, THERMOS, ASPIRIN, CELLOPHANE
  - Use term as an adjective not a noun Kodak Camera – not Kodak



# Trademark

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- **Federal registration**
  - **® ™ (SM) Demonstrates registration of TM with U.S. Patent and Trademark Office**
- **State registration**
  - **™ symbol next to distinctive use of**



# Service Mark

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- Any word, name, symbol, device, or any combination, used, or intended to be used, in commerce, to identify and distinguish the services of one provider from services provided by others, and to indicate the source of the services.



# Domain Names

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- ❑ Internet addresses, (domain names), were originally assigned with no cost.
- ❑ Now, domain names are bought and sold – sometimes for enormous amounts of money, and sometimes sold by people who originally registered those names for free.
- ❑ If a domain name infringes on a registered trademark, the domain name will be suspended immediately if the trademark owner challenges it.



# Additional Concepts

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- Product disparagement or product defamation
  1. False statement about a product or company
  2. Publication
  3. With malice (companies are considered public figures)
  4. Damages



# International Protections

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- Registration in each foreign countries
- Use of as variety of treaties
- CTM – Community Trade Mark Registration for all countries which are part of the European Union



# Additional Terms & Concepts

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- **Palming Off:** One company sells its products by leading buyers to believe it is the product of another company.
- **Gray Goods:** "A gray-market good is a foreign-manufactured good, bearing a valid United States trademark, that is imported without the consent of the United States trademark holder."



# Trade Secrets

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- Can be anything secret, proprietary, or confidential of value to a person or company, typically of value in conducting business, and can be a formula, device, process, method, or compilation of information that, when used in business, gives the owner an advantage over competitors who do not know it.
- The Economic Espionage Act of 1996.
  - This statute prohibits any attempt to steal trade secrets for the benefit of someone other than the owner, including for the benefit of any foreign government.



# Intellectual Property Sources

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- **U.S. Patent and Trademark Office**

- <http://www.uspto.gov>

- **U.S. Copyright Office**

- <http://www.copyright.gov>