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Protecting Your Intellectual Property Trademarks, Copyrights & Patents

Adam Daniels
Associate

adaniels@polsinelli.com
310.556.6754

Agenda

- What is Intellectual Property
- Why should I care?
- Overview of types of IP Protection
 - Patents
 - Trademarks
 - Copyrights
 - Trade Secrets
- Q&A

What is Intellectual Property

- Intellectual Property (IP) is defined by a body of laws that protect intangible creations of the mind
 - Examples: inventions, literary works, artistic works, symbols, names, images, and designs.
 - IP can be anything from a particular manufacturing process to a company's logo, a trade secret like a formula, or song lyrics.
 - IP encourages new works and new products by protecting the ability of creators and innovators to make a living from those new works and products.
- Typical of IP protection
 - Patents: Protect new inventions
 - Copyrights: Protect creative expression
 - Trademark: Identifies and distinguishes the source of goods of one party over another
 - Trade Secrets

What is Intellectual Property

- Federal **Patent Act** and **Copyright Act** are based on Constitutional Clauses.
- Federal Trademark Laws (**Lanham Act**) are based on Commerce Clause and state laws of unfair competition.
- Trade Secrets are based on state statutes (primarily based on **Uniform Trade Secrets Act**) as well as a new federal **Defend Trade Secrets Act**



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.

Why Should I Care About IP?

- IP is an asset, just like your car, your home or business equipment
 - Like all assets, IP can be stolen, counterfeited or infringed upon, leaving you with nothing but a great idea
- Intellectual Property Protection Can . . .
 - Attract Investment
 - Increase valuation
 - Deter others from stealing your ideas
 - Deter others from entering the market
 - Defend against other patent portfolios
 - License or Trade with other IP owners (Cross-license)
 - Alternative revenue stream

Overview of Types of IP Protection

- Patents
- Trademarks
- Copyrights
- Trade Secrets

Patents

- A legal protection which gives an inventor the right to exclude others from performing certain activity in the country of issuance
- Sanctioned monopoly for a set number of years in exchange for disclosure to the public
- Does **NOT** give the inventor the right to make, use or sell the patented invention

Patents

- Types of Patents

- Utility Patents

- Any new and useful process, machine, manufacture or composition of matter
 - Most common type of patent
 - Protects functional aspects of an invention

- Design Patents:

- Any new and ornamental design for an article of manufacture
 - Ex: Furniture; toys; golf club heads; tire treads ;jewelry; product housings (e.g., Shape of cell phone)

- Plant Patents:

- Any distinct and new variety of plant capable of asexual reproduction

Patents

- Utility Patents

- Two Types

- Provisional

- Any format or description acceptable
 - Cover Sheet Required
 - One Year Term – Automatically Abandoned
 - No Substantive Examination
 - Lower cost ~\$2,500
 - Patent Pending

- Non-Provisional

- Formal Requirements: Specification, Claims, Abstract, Drawings
 - Published at 18 months
 - Substantive Examination

Patents

- Why Should you Patent your Inventions?
 - Grants a legal monopoly
 - Licensing opportunities
 - Increases company assets and value
 - Investors like to see startups with patents
 - Patents allow inventors to realize the investment in their work
 - Without a patent, people could spend years in a research and development laboratory or tinkering in their garages, creating the next life-changing invention—only to have their invention quickly copied by a free-rider who put zero investment in the invention.

Patents

- How Do You Get a Patent?
 - First to File
 - Statutory Bars
 - On Sale, Public Disclosure
 - Requirements
 - Inventions must be new, non-obvious, and useful.
 - Certain concepts cannot be patented by rule, such as abstract ideas or laws of nature
 - Other inventions cannot be patented by policy; for example, certain inventions related to nuclear weapons or nuclear energy. A person cannot be patented
 - Apply to the United States Patent and Trademark Office (USPTO)
 - Initial Filing ~\$7,000 - \$12,000
 - Prosecution ~\$2,500 - \$10,000

Patents

- What is the Protection?
 - Right to exclude
 - 20 Years from filing for Utility Patent
 - 14 Years from date Design Patent is granted

Patents

- **Selecting what to Patent**
 - Business value:
 - What is the likely value of the technology?
 - Will exclusivity provide a competitive advantage?
 - Does the technology align with your commercial products?
 - Legal Strength:
 - What is the novelty over the prior art?
 - Business methods?
 - Exclusivity:
 - Will competitors have viable design-around options?
 - Can infringement be detected?
 - Build a Portfolio

Patents

- Dealing with a Competitor's Patents
 - Freedom to operate
 - Knowledge of potentially problematic patents may give rise to an affirmative duty to determine whether or not your product infringes
 - Legal opinion of counsel
 - Licensing Option
 - Design Around the claims
 - Note whether patent has pending applications
 - Invalidate Patent

Patents

- Patent Enforcement

- Cease and Desist Letter

- Litigation

- Injunction

- Monetary Damages

- Lost Profits

- Reasonable Royalty

- Patent Marking

- Should mark products to the extent possible to avoid “actual knowledge” requirements



Copyrights



Copyrights

- Why Should you Copyright your works?
 - Incentive to Produce
 - Fosters creativity and this, in turn, enhances our collective culture
 - Prevents copying of your work without permission
- How Do You Get a Copyright?
 - Free and Automatic: Protection is automatic as soon as the work is reduced in a tangible medium
 - Can Register with Copyright Office (~\$100 - \$500)
 - Completed application form, a nonrefundable filing fee, and a nonreturnable copy of work
 - Registered works may be eligible for statutory damages and attorney's fees in successful litigation

Copyrights

- Copyright is a form of property that grants exclusive rights to the author of a work.
- What falls under Copyright?
 - Art, Writing, Music, Movies, computer programs, photographs
 - Any “work” reduced to a tangible medium of expression
 - Does not protect ideas alone, facts, or functional parts of works

Copyrights

- 17 U.S.C. § 102(a)
 - “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.”
- BUT...17 U.S.C. § 102(b)
 - “[I]n no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, [or] method of operation ... regardless of the form in which it is described, explained, illustrated, or embodied.”

Copyrights

- Even though the work is protected, the copyright may not extend to every element
- Copyright protection extends to the author's original expression only, not the idea itself
- Copyright infringement can occur when the copied material is a protected expression NOT an idea, process, system or method of operation.
- Term: Life + 70 years
- Commercial Term (work for hire): 120 years

Copyright

- Registering with the U.S. Copyright Office
 - Completed Application
 - Filing Fee
- Registration is **not** required for valid copyright ownership, but it **is** required before you can bring a copyright infringement lawsuit (Section 411(a) of the Copyright Act)

Copyrights

- Copyright Enforcement:
 - Cease and Desist Letter
 - Litigation (note must be registered)
 - Defenses
 - Certain nonprofit and educational uses are allowed by law, even without the author's permission.
 - Fair Use: A fair use is any copying of copyrighted material done for a limited and “transformative” purpose, such as to comment upon, criticize, or parody a copyrighted work.

Trademarks



Trademarks

- Trademarks protect brands and consumers by enabling the public to identify the source of goods or services.
- What falls under trademark?
 - A trademark can be a word, picture, symbol, or other distinguishing mark, or even a sound or smell
 - These are the brand names of our favorite products
 - These brands allow us to identify competing products by quickly looking at their marks
 - Examples of Trademarks: the word APPLE for computers, McDonald's double arches, and the Coca Cola bottle

Trademarks

- Why should you Trademark your Logo/Brand?
 - Protects consumers from being confused about who created something
 - Saves people time by making the brand they are looking for easily identifiable
 - Prevents free riders from counterfeiting marks or goods and syphoning from hard-earned good will
 - Increases value of your Business
 - Reduces Risk

Trademarks

- How Do You Get a Trademark?
 - Trademark must be used to identify goods or services in commerce
 - Trademark must be distinctive
 - Register with the United States Patent and Trademark Office
 - ~\$1,000 - \$2,500
 - Common Law Trademarks
 - Depends on State
 - Less protection than Federal

Trademarks

- What is the Protection?
 - Protect against use of other marks that would create a likelihood of confusion
 - No Term
 - Use it or lose it
 - Generic: If a brand becomes generic, it will cease to function as a trademark
 - Aspirin
 - Cellophane
 - Dry Ice
 - Escalator
 - Linoleum

Trademarks

- Trademark Symbol:
 - ® Used to indicate a registered trademark
 - SM Used by company providing services
 - TM Used by company providing goods/products

Trademarks

- Trademark Enforcement:
 - Cease and Desist Letter
 - Litigation
 - Registered Trademark gains nationwide constructive use and constructive notice
 - Incontestable status after five years, which eliminates many of the ways for another party to challenge the registration in court
 - Allows you to collect triple damages and attorney fees if you prevail.

Trade Secrets



TRADE SECRET

■ WHAT IS A TRADE SECRET?

§1(4) “Trade secret” means information ... that:

- (i) derives independent **economic value** ... from **not being generally known** to, and not being readily ascertainable by proper means by, other persons...and
- (ii) is the subject of **efforts that are reasonable** under the circumstances to maintain its secrecy.

Trade Secrets

- Information that is not known outside of your organization and provides a competitive advantage
 - Recipe, process or technique
 - Information is valuable specifically because it is not widely known, and disclosing it would decrease or even destroy the value
- Examples:
 - Formula for Coca Cola: Decided not to patent to keep secret forever
 - KFC's secret recipe: Only three executives have access to the recipe
 - WD-40: Guarded in a bank vault, Company mixes the formula in only three facilities to maintain secrecy

TRADE SECRET

- TRADE SECRET LIMITATIONS:
 - Independent Discovery
 - Reverse Engineering

Trade Secrets

- Considerations for using Trade Secrets
 - Relatively Low Cost
 - Must take precautions to maintain secrecy
 - NDA
 - Protection lasts as long as the secret remains secret
 - Commercial Benefit
 - May provide critical barrier to entry
 - Enforcement
 - Complex as State Law varies between states

Take-Aways

- Develop a proactive approach toward protecting your IP
 - Make sure existing features are covered
 - Integrate patent filing into product development process
 - Design review
 - Watch and analyze competitors' filings and file blocking patents as appropriate
- Develop a proactive approach to product clearance of your products
 - Identify any problem patents early in the design process
 - Design-around, invalidate, or license problem patents

Thank You

Questions?