Intellectual Property 101

Presented to Wond’ry Post Flight Program

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What Is Intellectual Property?

• Any product of human intellect that the law protects from unauthorized use by others.

• Ideas alone are not protectable.

• Idea must be embodied in something recognized by law as subject to protection.
What Are The Features Of IP?

- **Intangible**
- **Freely transferrable**
  - Can be bought, sold, given away.
- **Limited monopoly**
  - Right to exclude others limited in time or by continued compliance with law.
- **Territorial**
  - Rights generally only enforceable in given jurisdiction.
The Four Primary Types Of IP

- **Trademarks**
  - Source identifiers (e.g., brand name, logos, slogans)

- **Copyrights**
  - Original works of authorship (e.g., books, songs, paintings, sculpture, etc.)

- **Patents**
  - Inventions (e.g., a new and useful widget)

- **Trade Secrets**
  - Any information that derives value and provides a competitive advantage by virtue of being secret (e.g., software, recipes).
Trademarks®

Right of exclusive use of a name or a symbol that identifies the source of products or services
Why Are Trademarks Important?

- Set your goods or services apart from those of your competitors
- Create and maintain a demand for your goods or services
- Provide a guarantee of consistency of quality of goods or services
- Valuable assets of a business
Trademark v. Domain Name

- Domain name is a web address for a website
  - Registered through a domain name registrar
  - Domain name registration does not equal trademark registration
  - Domain name can be a trademark if used in way that identifies the source of goods or services
Choosing A Trademark

Very Distinctive

- **Fanciful**: Words invented for trademark purpose
- **Arbitrary**: Existing words with no logical relationship to the goods
- **Suggestive**: Alludes to a characteristic of the goods
- **Descriptive**: Directly says something about the goods

Not Distinctive

- **Generic**: Common, everyday name for the goods
Choosing A Trademark

- **Fanciful** – Non-dictionary, inventive terms
Choosing A Trademark

- **Arbitrary** – Dictionary words applied in a non-descriptive way
Choosing A Trademark

- **Suggestive** – Suggest, but do not describe
Choosing A Trademark

- **Descriptive** – Not protectable without “secondary meaning” – acquired over time through extensive use
Choosing A Trademark

- **Generic** – Common term for a product or service – can never serve as a trademark or service mark

[Image: Aspirin]
Tips For Selecting A Trademark

• Consider strength of mark.
• Consider likelihood of confusion.
• Is the name geographically descriptive?
• Avoid deceptive, disparaging, or offensive matter.
• Avoid misspelling of descriptive or generic wording.
• Avoid use of someone’s name or likeness without consent.
• Title of a single book, play or movie cannot be a trademark for that particular work.
• Ornamental or decorative matter is not entitled to trademark protection.
The Examination Process

• 12 to 18 months from start to finish
• Filing receipt – serial number assigned
• USPTO examination – 3 to 6 months
• Response to Office Action (if any)
• Publication in Official Gazette
• 30-day opposition period
• If no opposition
  – A Certificate of Registration if current use application
  – A Notice of Allowance if intent to use application
Registration Benefits (Principal Register)

- Nationwide protection and constructive notice
- Presumption of validity of registration
- Presumption of ownership/exclusive rights
- Prevent infringing importation
- Basis for registration in foreign countries
- Incontestability after 5 years
- Access to federal courts
- Registration symbol ®
- Bar to third party registrations
Trademark Notices

• Use “TM” or “SM” prior to registration

AWESOMESAUCE™

• Use registration symbol ® after registration
Trademark Recap

- Trademarks and service marks are **brands** that separate you from your competitors.

- Choosing a **strong mark** pays off.

- **Registration** creates valuable rights.

- **Proper use, maintenance and policing** is necessary to prevent loss of rights.

- The selection, clearance and registration of trademarks and service marks is a **participation sport**.
Copyrights

- **Protects original works of authorship**, including literary, dramatic, musical, and artistic works, such as poetry, novels, movies, songs, computer software, and architecture
  - **Does not** protect facts, ideas, systems, or methods of operation
  - **Does not** protect names or slogans
- Grants owner exclusive rights to print, publish, record, copy, distribute
- **Term**: life of author + 70 years in most cases
Benefits of Registration

- Required to bring a federal lawsuit
- Permits recovery of statutory damages $ per work
  - Basic damages = btwn $750 to $30,000 per work
  - Willful infringement = up to $150,000 per work
  - Innocent infringement = reduce to $200 per work
- Permits recovery of attorneys’ fees
- Prevents infringer from claiming innocent infringement
- Registration after infringement may result in lessened or no damages
Copyright Ownership

• **Author is presumed to be the owner upon creation unless agreement to the contrary.**
  – Even if somebody else was paying for it

• **Exceptions:**
  – Works Made for Hire
  – Employees
  – Independent Contractors
    o Commissioned Work
    o Written Agreement Before Commencement
    o Nine Narrow Statutory categories

• **Take Away:** Make sure to get a written copyright assignment!
Copyright Notice

• Always use:
  – The © symbol or the word “Copyright”
  – Year of first publication of the work
  – Name of the copyright owner

• EXAMPLE:

© 2015 Blake Bernard
Patents
What Do Patents Protect?

New and useful processes, machines, articles of manufacture, chemical compositions, business methods, and improvements to same
What Is A Patent?

• A limited monopoly granted in exchange for enabling public disclosure of the invention.
  – Applicant must disclose enough info that a person skilled in the art could practice the invention using only the disclosure

• Gives patentee the right to exclude others from:
  – making,
  – using,
  – selling,
  – offering to sell, or
  – importing the patented invention in the U.S.

• No right to practice the invention
  – Improvement patents → May need a license to practice.
Overview Of The Patent Process

Conceive invention → Reduce to practice

To an issued patent → File and prosecute application
Types Of Utility Applications

- **Provisional**
  - Placeholder for filing date
  - Expires after 1 year
  - Not published
  - Never examined
  - Never becomes a patent
  - Not available for designs
  - Filing Cost: $3,000 – $4,000

- **Non-provisional**
  - Triggers examination
  - Published after 18 months
  - Likely to require additional communications with USPTO
  - Pendency of about 2 years without expedited examination
  - Filing Cost: $8,000 – $20,000
Utility Patents

- **Utility Patent**
  - *Covers*: how article works
  - *Term*: 20 years from filing
  - *Damages*: Reasonable royalty
  - *Cost to file*: $8,000 – $20,000
  - *Pendency*: 27 months
  - Periodic maintenance fees
  - Can be filed internationally
  - Published before grant
  - Can claim priority to provisional
Continuation Practice

• Continuation Application
  – Claims benefit to original “Parent” non-provisional application
  – Same specification as the parent, simply pursuing different claims and subject matter

• Continuation-In-Part Application
  – Contains new matter not in the parent application
  – Claims benefit to the parent application only for the subject matter contained in the original application
  – Additional information added to specification and claims
  – Beneficial to protect improvements or changes to the original idea or concept in the parent application

• Both types of applications have the same term as the Parent
Foreign Patent Protection

- USPTO can only issue a patent valid in the United States
  - Patent rights, like all other IP rights, are territorial

- Patent Cooperation Treaty ("PCT") allows inventors to apply for protection in other countries based on a U.S. filing date
  - Called "PCT" or "International" applications

- It is important to have a licensed patent attorney advise you through this process to ensure that you do not miss the treaty deadlines and lose the ability to protect the invention abroad.
  - 1 year from U.S. filing date to file PCT
  - 30 months from PCT filing to enter target countries
Q: When To File?    A: ASAP!

- United States now a “first-to-file” jurisdiction

- Avoid public disclosures that could be cited against the invention
  - Sell or offer to sell
  - Use in public
  - Describe in printed publication
  - Disclose to anyone without NDA

- One-year U.S. grace period for filing after first public disclosure

- No grace period in other countries
  - Any disclosure will be cited against application
  - File U.S. application before the first public disclosure to protect foreign rights
What is an Inventor v. Owner?

- An inventor: person who contributed to the conception of the invention **as defined in the claims**
  - Conception is the mental act of invention
- An inventor: owner of the invention, absent an agreement to the contrary
  - Employment Agreements
  - Assignments
- Each inventor has an undivided right in the invention
  - Right to license the invention
  - Right to exclude third parties, except other inventors
- However, once transferred, the patent owner can prohibit even the inventor from practicing the invention.
Benefits Of Patent Applications

• Marketing tool
  - Using “Patent pending” designation
    o Works in some industries
    o Can be used from the filing date of the provisional application
    o Not relevant to the likelihood of patent grant

• Investors’ due diligence

• Fund raising

• May dissuade competition

• Potential source of revenue

• Defensive tool against other patent holders
Trade Secrets
What is a Trade Secret?

• A trade secret is any information that derives independent economic value from not being known or reasonably ascertainable by others
  – **Examples**: customer lists, recipes, software source code, processes, supplier relationships, etc.

• **Requirements**: reasonable efforts to maintain secrecy
  – Employment / confidentiality agreements
  – Restricted access (building and network security)
  – Communications within the company as to something being a trade secret
Trade Secret Or Patent?

• Does information meet patentability requirements?

• Advantages of trade secrets:
  – Unlimited term; protection lasts as long as information is secret
    o Patents last up to 20 years.
  – No registration costs
    o But keeping the information secret may be more expensive.
  – Immediate effect.
  – No formalities to comply with.

• Disadvantages of trade secrets:
  – Reverse engineering allowed.
  – Protection ceases upon public disclosure.
  – Harder to enforce than a patent.
  – Secret may be patented by someone else if they independently developed the information.
Questions?