Commonly Missed Intellectual Property Issues Lawyers Cannot Afford to Overlook

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A Basic Primer on Intellectual Property Law for the Non-IP Lawyer

Intellectual Property Law generally covers patents, trademarks, copyrights and trade secrets. Trade dress and domain names are also topics falling within this area of the law. Set forth below is a basic primer for each of these topics.

Patents

Patents protect inventions that are new, useful, and non-obvious. Generally, the public thinks of patentable inventions as physical things like equipment, machines, chemicals, or similar items. Patents can also be obtained for processes or methods.

Patents are issued by the United States Patent and Trademark Office (USPTO) for protection in the United States. U.S. Patents and enforcement of the rights granted by patents are governed solely by federal law. Patent rights must be obtained in each country in which protection of the invention is sought, although there are options to file a regional application in some areas such as Europe.

A patent grants the owner an exclusive right to make, use or sell the process, machine, article or composition for a period of time. In exchange for this exclusive right, the owner must make full disclosure related to the device, process, machine, etc. The patent owner enjoys this exclusive right for a period of 20 years from the date of the application filing date, with a few exceptions.

As noted, the invention must be new, not obvious and useful. "New" means that the main elements of the invention must not have been publicly disclosed in a single reference anywhere in the world. The public disclosure need not be the object itself, but merely a written description of it is sufficient. To qualify as a disclosure, it must enable someone working in the field of the invention to perform the invention. This is referred to as a "person skilled in the art." The invention is not obvious if it would not have occurred directly or without difficulty to the person skilled in the art of the invention.

Patents must contain the following information:

- Names of the Inventors
- Abstract of the Invention
- Patents Searched
- Formal Drawings with Reference Numbers
- Description of each Reference Number
- Claims (define the invention)
- Date Issued

Trademarks

Trademarks (used on a product) or service marks (used in connection with a service) consist of any word, symbol, or device used by the manufacturer or merchant to distinguish its products and services from other products and services. The USPTO need not grant trademark registration for the owner of the trademark to be entitled to protection of the mark. There are common law trademarks and state-issued trademarks as well as federal trademarks issued by the USPTO. The advantage of federal registration includes notice to other parties of your rights in the mark, and treble damages in the event of infringement.

Common law trademarks arise from the adoption and use of marks that are inherently distinctive, or the mark even if not inherently distinctive, is protectable if it acquires secondary meaning. Secondary meaning occurs when consumers associate words or designs with one particular source for those goods or services. Trademarks are valid for as long as the mark is used in connection with the product or service in commerce. Federally registered trademarks have a 10 year term but are renewable for additional 10 year terms as long as the mark is still in use.

The hallmark of the analysis for determining whether a mark infringes another mark is whether one mark is "confusingly similar" to another mark so that there is a "likelihood of confusion" as to the source of the goods or services. The level of protection afforded a trademark depends upon the level of distinctiveness.

Levels of Distinctiveness	Examples	Level of Protection
Fanciful: Made up words	Kodak xerox	Strongest
Arbitrary: Common Words whose meaning has nothing to do with the product	for computers and phones SUN PHARMA for pharmaceuticals	Strong
Suggestive: Indicative of the nature of the product without describing the product	Microsoft for software	

	Coppertone® for suntan lotion	
Descriptive: Describes the product or service	Sports Illustrated for magazine about sports Pizza Hut for pizza	Must achieve secondary meaning to achieve protection
Generic: Direct statement of the product or service	Aspirin, Cellophane, Beer, etc.	None

Copyrights

Copyrights protect specified works of authorship such as books, songs, visual arts, paintings, movies, sculptures, architectural drawings, photographs, and computer programs. The copyright comes into existence the moment the original work is fixed in a tangible medium of expression. All copyrightable subject matter, published or unpublished, is subject to protection under federal law under the Copyright Act of 1976.

A copyright generally has a term of 95 years for a business, and the life of the author plus 70 years for an individual. Similar to trademarks, copyright protection attaches at the time the work is created. Federal registration is only required to file an infringement action and to recover statutory damages for infringement (beginning at the date of registration).

There is often confusion about what a copyright protects. It is the *expression* of the work rather than the subject matter portrayed in the work. For example, the image of Mickey Mouse as drawn by the creators is subject to copyright protection, but this does not preclude others from creating others works of art depicting a mouse.


Trade Dress

Trade dress refers to the visual appearance of a product, packaging or design that customers associate with a particular source for that product or service. Similar to trademarks, trade dress rights are entitled to protection under federal law to prevent confusion on behalf of the consumer. This might include the color, shape or arrangement of materials to signify a particular source for goods or services. Similar to trademarks, trade dress can be subject to protection without

registration with the USPTO. But, trade dress may be registered with the USPTO. Registrants must prove that the design has secondary meaning to consumers and that the feature is not simply functional. In other words, the trade dress must create recognition of the source of the product in the consumer's mind without also performing a function with respect to the product or service.

Trade Secrets

Generally a trade secret is defined as a formula, pattern, method, device or information that is not known to others, and gives a potential advantage to the owner. *See* definition of trade secrets in Uniform Trade Secrets Acts (UTSA) or the Defend Trade Secrets Act of 2016 (DTSA), 18 U.S.C. §1836. The DTSA states that it includes financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing provided it meets two criteria: (a) the owner has taken steps to maintain the confidentiality, and (b) it has independent economic value from not being known to others.

This may include the following types of information:

- Customer or potential customer lists
- Employee lists
- Employment agreements including salaries, wages and benefits
- Marketing or business plans
- Product development plans
- Cost, prices, billing and profit margins
- Formulas or recipes
- Methods, data or statistics
- Software code or algorithms
- Contracts and contract negotiations

If the company has taken reasonable steps to maintain the confidentiality of the trade secret, the company may be able to protect that trade secret from disclosure by unauthorized persons.

Famous examples include the formula for Coca-Cola® or the secret recipe with eleven herbs and spices for Kentucky Fried Chicken®.

Domain Names

An important component of every business is the domain name for that business. It allows your customers to find you on the World Wide Web. Domain names can be registered in a top level domain such as .com; .net; or .org. There are also restricted top level domains for certain industries such as .biz for businesses. A company may also choose to register the domain name under a "country code top level domain" such as .cn for China.

The domain name system is governed by the Internet Corporation for Assigned Names and Numbers ("ICANN"). *See* http://www.icann.org. ICANN authorizes certain Internet registrars to register domain names. To determine whether a domain name is available, and if not, who registered the domain name, search the registrar's site, or use a 'Whois' search at http://www.uwhois.com.

Choosing a domain name is similar to picking a trademark. Most companies choose a domain name that is closely tied to their company name to make it easier for their customers to find them on the web. A domain name can be distinctive enough to merit trademark protection if it uniquely identifies the source of the product or service. You should also ensure that you do not pick a domain name that infringes the trademark of another company. This could be considered cybersquatting, requiring you to transfer the domain name and possibly pay damages.

There is a particular dispute resolution procedure for the quick resolution of domain name disputes to stop cybersquatting. If a trademark or service mark is being cybersquatted, the Uniform Administrative Dispute Resolution Policy (UDRP) has created a simple procedure for submission of a claim, and an expert decides whether the domain name should properly be given to the party filing the request. The registrar of the domain name must comply with the decision of the expert under this procedure. Additional information about this procedure is available at http://arbiter.wipo.int/domains/.

Conclusion

Although intellectual property law is technical and requires a much deeper understanding of the fundamentals of the practice, the above information is provided as a general description of the potential intellectual property rights subject to protection. The intellectual property of a company represents a significant portion of the value of the company, and thus, no matter the size of the company, care must be taken to preserve and protect its intellectual property, and to avoid infringing the intellectual property rights of others. Thus, knowing when to contact an intellectual property lawyer is important.

There are many reasons to contact a patent attorney long before an invention comes to fruition, and long before a lawsuit is filed. The right to obtain a patent can be inadvertently lost if the company does not receive the advice of a patent attorney at the outset of the innovative process. It is also important to learn what can and cannot be patented, and to weigh the benefits and costs of patenting an invention versus maintaining it as a trade secret. Similarly, there is no substitute for a qualified intellectual property attorney to protect your brand's identity whether through trademarks, trade dress, or domain names. There are many factors to consider when choosing the name of the company, the brand under which your client will sell its goods and services, and how the company can use that brand to identify the source of its products and services, and sell them to customers.

These are just a few of the instances in which enlisting an intellectual property lawyer can aid a company:

- Advising the client about processes and procedures to employ to ensure that it is capturing inventions and protecting those inventions from disclosure prior to seeking a patent to avoid inadvertently losing the right to do so.
- Protecting the patent rights of the company, and evaluating whether the company may be infringing on another's patent rights.
- Negotiating contractual relationships to ensure the client obtains and maintains all rights to the intellectual property that is created by employees or third party contractors.
- Developing processes to police any unauthorized use of the client's trademarks, trade dress or domain names, and taking action to prevent or stop unauthorized use or damage to the brand of the company.
- Considering names for the company as well as available trademarks and domain names to ensure that the company is able to grow and protect its brand without risking infringement of another company's intellectual property.
- Communicating the advantages and disadvantages of obtaining a patent versus protecting the information as a trade secret.
- Identifying and determining the value of the intellectual property owned by the company, or to be acquired by the company.

The important takeaway from this CLE is that clients benefit from the expertise of an intellectual property lawyer before a product or service is invented, before the company is sued or threatened with suit, and before the company is even launched. Engaging intellectual property counsel before issues arise is an important part of protecting the intellectual property rights of a client.