INTRODUCTION TO INTELLECTUAL PROPERTY

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Types of Intellectual Property

- Trademarks
- Copyrights
- Patents
- Trade Secrets
- Other Intellectual Property Rights

Why Protect IP?

Global Intellectual Property Center-US Chamber of Commerce

Intellectual Property Creates and Supports High-Paying Jobs

- IP-intensive industries employ over 55 million Americans, and hundreds of millions of people worldwide.
- Jobs in IP-intensive industries are expected to grow faster over the next decade than the national average.
- The average salary in IP-intensive industries pay $50,576 per worker compared to the national average of $38,768.

Why Protect IP? (part 2)

Global Intellectual Property Center-US Chamber of Commerce

Intellectual Property Drives Economic Growth and Competitiveness

- America's IP is worth $5.8 trillion, more than the nominal GDP of any other country in the world.
- IP-intensive industries account for 38% of total U.S. GDP.
- IP accounts for 74% of all U.S. exports; which amounts to nearly $1 trillion.
- The direct and indirect economic impacts of innovation are overwhelming, accounting for more than 40% of U.S. economic growth and employment.

Why Protect IP? (part 3)

Global Intellectual Property Center-US Chamber of Commerce

Strong and Enforced Intellectual Property Rights Protect Consumers and Families

- Strong IP rights help consumers make an educated choice about the safety, reliability, and effectiveness of their purchases.
- Enforced IP rights ensure products are authentic, and of the high-quality that consumers recognize and expect.
- IP rights foster the confidence and ease of mind that consumers demand and markets rely on.

Trademarks

- A trademark is a distinctive word, phrase, logo, domain name, graphic symbol, slogan, or other device that is used to **identify** the source of a product or service and to **distinguish** a product or service from others.
- Examples: brand name, company or trade name if it is used to promote services or appears on the products or packaging, logo, the "look-and-feel" of a product or its packaging (or restaurant design), and in rare cases, colors (Owens-Corning's pink insulation) sounds and smells that identify a source (the "NBC Chimes").
- A service mark is a subset of a trademark that is used to identify the source of a service rather than a product.

Trademarks

- A mark can be one or more words, a graphic, a sound, a stylized term, or a combination of different elements, each of which can be separately registered. **Generally, the less elements the mark has, the broader the protection**.

Examples of Trademarks

- Sports Apparel
- Footwear
- Golf balls, clubs
- Eyewear
- Sandwiches

Trademark Examples

- First TM in 1893
- Food
- Clothing
- Bedding
- Board Games
- Mugs, plates, cups
- Furniture

Other Trademark Examples

- The Color Pink
- Owens-Corning®
- John Deere® Green rejected as too broad relative to farm implements (not want to limit a farmer's ability to match the tractor).

Trademark Rationale

What is the policy rationale for trademark law?

1. Prevent consumer confusion and reduce consumer search costs
2. Encourage trademark owners to maintain quality
3. Prevent free riding on goodwill

Trademark Rights

What are the rights of the trademark owner?

- **Prevent trademark infringement** (use of mark in commerce where use is likely to cause confusion or deceive)

- **Prevent trademark dilution**:
  - Tarnishment – use of mark in a disparaging way
  - Blurring – overuse of mark

Trademark Duration

How long do trademark rights last?

- Forever, as long as mark is being used in a source-identifying manner for goods or services.

- Federal trademarks must be renewed every ten years. For a trademark registration to remain valid, an Affidavit of Use ("Section 8 Affidavit") must be filed: (1) between the fifth and sixth year following registration, and (2) within the year before the end of every ten-year period after the date of registration.

- The registrant must also file a Section 9 renewal application within the year before the expiration date of a registration (i.e., every ten years).

Sources of Trademark Law

- U.S. Constitution art. I, § 8, cl. 3

  "To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;"

- Lanham Act, 15 U.S.C. § 1114, *et seq.*
- Michigan State trademark statute
  - MCL 429.31, et seq.
- Common law (case law)

® Registration Benefits

Trademark rights do not require registration, but federal registration has several advantages, including:

1. **Constructive notice** nationwide of the trademark owner's claim.

2. **Evidence of ownership** of the trademark.

3. **Jurisdiction** of federal courts may be invoked (which helps in ability to enforce across the country).
4. Registration can be used as a basis for **foreign registration**.
5. Registration may be filed with U.S. Customs Service to **prevent importation** of infringing foreign goods.

Trademark Symbol ®

Do you have to mark your goods with ® to get trademark protection?

- No. In fact, you can only use ® once the mark has been registered.

- Use **TM** (for products) or **SM** (for services) **before registration** to provide notification that product or service is a trademark to you.

Trademark Ownership

The owner of the mark is the person or entity that controls the nature and quality of the products identified by the mark.

The owner is the only proper party to apply for registration of a mark.

If the applicant does not own the mark on the application filing date, the application is void.

Ownership is determined as of the time the application is made.

Rights and ownership of a currently used trademark may be assigned. This assignment is documented by a Trademark Assignment, which should be filed with the Trademark Office.

Trademark Application (1 of 10)

Trademark Prosecution

- Prosecution is a term of art for trademarks.
- Prosecution does not denote a criminal procedure, but instead is the designation for the administrative process of requesting a trademark registration from the USPTO.
- Think of a trademark prosecution as the vetting procedure for a mark.

Trademark Application (2 of 10)

Classification of Goods and Services

- All goods and services included in trademark applications must be designated as being in one or more classes.
- There are only 45 classes of goods and services:
  - 1-34 Goods
  - 35-45 Services

Note: the amount of the filing fee increases if you want the trademark to apply to more than one class.

Trademark Application (3 of 10)

Goods

- Class 01 Chemicals
- Class 02 Paints, Coatings & Pigments
- Class 03 Cleaning Products, Bleaching & Abrasives, Cosmetics
- Class 04 Fuels, Industrial Oils and Greases, Illuminates
- Class 05 Pharmaceutical, Veterinary Products, Dietetic
- Class 06 Metals, metal castings, Locks, Safes, Hardware
- Class 07 Machines and Machine Tools, Parts
- Class 08 Hand Tools and implements, Cutlery
- Class 09 Computers, Software, Electronic instruments, & Scientific appliances
- Class 10 Medical, Dental Instruments and Apparatus
- Class 11 Appliances, Lighting, Heating, Sanitary Installations
- Class 12 Vehicles
- Class 13 Firearms, Explosives and Projectiles
- Class 14 Precious Metal ware, Jewelry,
- Class 15 Musical Instruments and supplies
- Class 16 Paper, Items made of Paper, Stationary items
- Class 17 Rubber, Asbestos, Plastic Items

Goods

- Class 18 Leather and Substitute Goods
- Class 19 Construction Materials (building - non metallic)
- Class 20 Furniture, Mirrors,
- Class 21 Crockery, Containers, Utensils, Brushes, Cleaning Implements
- Class 22 Cordage, Ropes, Nets, Awnings, Sacks, Padding
- Class 23 Yarns, Threads
- Class 24 Fabrics, Blankets, Covers, Textile
- Class 25 Clothing, Footwear and Headgear
- Class 26 Sewing Notions, Fancy Goods, Lace and Embroidery
- Class 27 Carpets, Linoleum, Wall and Floor Coverings (non textile)
- Class 28 Games, Toys, Sports Equipment
- Class 29 Foods - Dairy, Meat, Fish, Processed & Preserved Foods
- Class 30 Foods - Spices, Bakery Goods, Ice, Confectionery
- Class 31 Fresh Fruit & Vegetables, Live Animals,
- Class 32 Beer, Ales, Soft Drinks, Carbonated Waters
- Class 33 Wines, Spirits, Liqueurs
- Class 34 Tobacco, Smokers Requisites & Matches

Trademark Application (4 of 10)

Services

- Class 35 Advertising, Business Consulting
- Class 36 Insurance, Financial
- Class 37 Construction, Repair, Cleaning
- Class 38 Communications
- Class 39 Transport, Utilities, Storage & Warehousing
- Class 40 Materials Treatment, Working
- Class 41 Education, Amusement, Entertainment, Reproduction
- Class 42 Scientific and technological services and research and design relating thereto
- Class 43 Services for providing food and drink; temporary accommodations.
- Class 44 Medical services; veterinary services; hygienic and beauty care for human beings or animals
- Class 45 Personal and social services rendered by others to meet the needs of individuals

Trademark Application (5 of 10)

Trademark Search

- A **comprehensive search of the proposed trademark** should be performed to determine if there are any identical or similar trademarks in use in the same class(es).
- Use can include a federally registered mark, a state registered mark, a common law mark, or the other use of the mark (e.g., domain name, corporate name).
- A comprehensive search can be prepared by a trademark search company from $200-$500.
  - A search is advisable if the mark has not yet been used or just started to be used.
  - A **trademark opinion** is often advisable.
- If the trademark has already been in use, then a conflicting mark may or may not preclude registration.

Trademark Application (6 of 10)

Conflicting Trademarks

- Is the conflicting mark identical or similar?
  - Is the mark confusingly similar?
- Is the conflicting mark in the same class(es)?
- How strong is the conflicting mark?
- Who has priority of the conflicting marks?
  - It depends.
  - A search is advisable if the mark has not yet been used or just started to be used.
  - A trademark opinion is often advisable.
- Depending upon the nature of the conflict, a cost benefit analysis should be performed to determine whether to proceed with the application for registration.

Trademark Application (7 of 10)

Conflicting Trademarks/Priority Claims

- Under U.S. trademark law, being the first to file an application to register a trademark does not guaranty priority to the applicant. In general, **under U.S. common law it is the date on which a mark was first used by its owner in the United States that decides the right of priority**, irrespective of whether the mark is ever registered in the U.S. Trademark Office.

- Unlike other jurisdictions, mere use of an unregistered common law mark in the United States gives the user territorial priority trademark rights even without requiring a certain level of notoriety. Such earlier use establishes a right of priority even over a later-filed U.S. application to register a similar mark if the first use of the mark of the application was commenced after the prior first use of the unregistered common law mark.

- There is, however, **one statutory method for establishing priority trademark rights in the United States before use of a mark in U.S. commerce commences**. Since 1989, the U.S. priority concept has been based on a combination of the common law's first-in-time, first-in-right principle, and a first-to-file principle. **The filing date of an application to register a mark on the Principal Register of the U.S. Trademark Office now constitutes "constructive use" of the mark**, conferring a right of priority, nationwide in effect, that takes precedent over a later date of actual first common law use, provided that the registration application matures into a registration.

- The filing date of the trade mark application establishes a "**priority date**" from which the applicant has the right to file corresponding applications in other countries within six months of the priority date. These later applications are entitled to the same priority date as the original application.

Trademark Application (8 of 10)

Trademark Use or Intent to Use

- Different Application Process
  - An Intent to Use Application (not yet used in commerce)
  - An Intent to Use Application has more requirements and costs more.

- The phrase **use in commerce** is defined in the Lanham Act as "bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark." For goods, the phrase "use in commerce" means when the mark is placed on the goods or their containers, or on tags or labels that go with the goods, or on displays associated with the sale of the goods.

- For services, the term "use" means the mark is used or displayed in the sale or advertising of the services.

Trademark Application (9 of 10)

Application Form and Process—Basics

- **Application Form**—At the main website for the Trademark Electronic Application System (TEAS) of the USPTO, click on the link "File NEW application" and follow the directions for "Trademark/Servicemark Application, Principal Register.

- **Drawing of Mark**—If the mark is a word mark only, there is a box in the electronic form to enter the mark. The electronic process will automatically generate a drawing of the word/mark. If the mark includes a graphic or if the mark is a stylized word, create a separate figure for attachment to the electronic application. The figure must be in .jpg format and there are limitations on size and pixilation.

- **Specimen**—A specimen is an actual example of how a mark is used in commerce on or in connection with the identified goods and/or services. It is not the same as a drawing, described above. For goods, such things as tags, labels, or photographs of the goods or containers are acceptable. In an electronically filed application, the applicant must submit a digitized image in .jpg or .pdf format.

- **Filing Fee**—Pay the filing fee by credit card. The current filing fee for a single-class trademark application is $225 (Plus Application); $275 (RF Application); and $325 (Regular Application).

Trademark Application (10 of 10)

Process After Application Filed

- **"Live" Application**—When a proper application with the requisite fee is submitted via the USPTO's TEAS program, the USPTO will issue an electronic confirmation of receipt, which is evidence of filing should any question arise regarding the filing date. The application will be assigned to a USPTO lawyer/examiner who will examine the application. At this point, the prosecution of the application begins.

- **Examination**—The examination of an application by the examining attorney includes a search for conflicting marks and an examination of the written application, the drawing and any specimen, to determine whether the mark is eligible for the type of registration requested.

- **Office Action**—If the Trademark Office has any issues with the trademark application (e.g., descriptive, confusingly similar?) it will send objections in what is called an "**Office Action**".
  - The typical timeframe to respond to a Office Action is 6 months.
  - The trademark application is abandoned ("**Dead**") if there is no timely response.
  - The cost of a trademark application goes up at this stage and a cost/benefit analysis is often necessary prior to responding to the Office Action.

- **Trademark Approval**—If the examining attorney raises no objections to registration, or if the applicant overcomes all objections, the examining attorney will approve the mark for publication in the *Official Gazette*, a weekly publication of the USPTO. If no one opposes registration (opposition action) of the trademark within the statutory limit of 30 days (or any approved extension) after it is published in the *Official Gazette*, the USPTO will issue a trademark registration.

- **Timing**—**All of the prosecution occurs online and it is typically several months at best (and often up to 1 year) before a trademark registration issues**.

Trademark Certificate

The United States of America

CERTIFICATE OF REGISTRATION

PRINCIPAL REGISTER

The Mark shown in this certificate has been registered in the United States Patent and Trademark Office to the named registrant.

The records of the United States Patent and Trademark Office show that an application for registration of the Mark shown in this Certificate was filed in the Office; that the application was examined and determined to be in compliance with the requirements of the law and with the regulations prescribed by the Director of the United States Patent and Trademark Office; and that the Applicant is entitled to registration of the Mark under the Trademark Act of 1946, as Amended.

A copy of the Mark and pertinent data from the application are part of this certificate.

To avoid CANCELLATION of the registration, the owner of the registration must submit a declaration of continued use or excusable non-use between the fifth and sixth years after the registration date. *(See next page for more information.) Assuming such a declaration is properly filed, the registration will remain in force for ten (10) years, unless terminated by an order of the Commissioner for Trademarks or a federal court. (See next page for information on maintenance requirements for successive ten-year periods.)*

Director of the United States Patent and Trademark Office

Trademark Certificate

CELLMAX

Reg. No. 4,329,272

Registered Apr. 30, 2013

Int. Cl.: 9

TRADEMARK

PRINCIPAL REGISTER

TRAVIS HAMPTON (UNITED STATES INDIVIDUAL)
513 PAMELA DR
COLDWATER, MI 49036 AND

KEN PATEL (UNITED STATES INDIVIDUAL)
513 PAMELA DR
COLDWATER, MI 49036

FOR: BATTERIES; LITHIUM ION BATTERIES, BATTERY PACKS; BATTERIES FOR USE IN VEHICLES; BATTERIES FOR INDUSTRIAL, COMMERCIAL AND HOUSEHOLD USE; BATTERY CELLS OF PRISMATIC, CYLINDRICAL AND BUTTON TYPES; ELECTRIC STORAGE BATTERIES; ELECTRICAL CELLS AND BATTERIES; BATTERY CHARGERS; RECHARGEABLE ELECTRIC BATTERIES; RENEWABLE BATTERY SYSTEM TO PROVIDE BACKUP POWER; ALKALINE BATTERIES, HEAVY DUTY BATTERIES, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 3-1-2012; IN COMMERCE 3-1-2012.

THE MARK CONSISTS OF TWO WORDS "CELL AND "MAX". THE WORD "CELL" IS POSITIONED SLIGHTLY BELOW THE WORD "MAX" AND PRESENTED IN DIFFERENT ARTISTIC STYLES. BOTH WORDS PRESENT A FRAME OR CONTOUR BEING OF A DIFFERENT SHADE AS THE PORTION LOCATING WITHIN THE FRAME OR CONTOUR. LETTER "X" OF THE WORD "MAX" HAS ONE OF THE PORTIONS EXTENDING CIRCULARLY TO DISTAL ENDS TAPERING TO A SHARP END WHEREIN ONE OF THE SHARP ENDS EXTENDS TO LETTER "A" OF THE WORD "MAX".

SN 85-557,483, FILED 3-1-2012.

NATALIE POLZER, EXAMINING ATTORNEY

UNITED STATES PATENT AND TRADEMARK OFFICE · DEPARTMENT OF COMMERCE

Counterfeiting Examples
Canal Street in New York City

Trademark Infringement

- Chinese Counterfeit of Apple Store
- Look familiar?

Trademark Infringement

Plaintiff has the burden to show:

- A **protectable and valid trademark**
- Defendant's use of a mark has **created** a **likelihood of confusion** about the origin of the defendant's goods or services.
- Defendant using a confusingly similar mark in such a way that it creates a **likelihood of confusion**, mistake and/or deception with the consuming public.

Likelihood of Confusion Factors:

- The similarity in the overall impression created by the two marks (including the marks' look, phonetic similarities, and underlying meanings);
- The similarities of the goods and services involved (including an examination of the marketing channels for the goods);
- The strength of the plaintiff's mark;
- Any evidence of actual confusion by consumers;
- The intent of the defendant in adopting its mark;
- The physical proximity of the goods in the retail marketplace;
- The degree of care likely to be exercised by the consumer; and
- The likelihood of expansion of the product lines.

Trademark Infringement

Principal Register

- A presumption of trademark ownership and exclusively entitled to use the mark throughout the United States.
- The ability to achieve incontestability (after five (5) years on the Principal Register) which precludes an attack against the registration on the basis of prior use or descriptiveness.
- Constructive nationwide notice of claim of ownership in the mark.
- Additional remedies for infringement, including possible trebling of monetary awards (i.e., three (3) times the damages) and recovery of attorneys' fees.
- The ability to prevent importation of infringing goods through filings with U.S. Customs.

Supplemental Register

- Registration on the Supplemental Register does not provide all the protections afforded by the Principal Register.
- For example, a Supplemental Registration does not include the presumptions of validity, ownership and exclusive rights to use the mark that attach with a registration on the Principal Register.
- Supplemental Registration cannot be used to stop importation of counterfeit products, nor can a Supplemental Registration become incontestable.
- Not same types of available damages.

Michigan Trademarks

State registration is adequate trademark protection for company names that are never or seldom used with the goods or services of a company. You can obtain the application forms at the Department of Licensing and Regulatory Affairs, Corporation Division's website (http://www.michigan.gov/corporations/) or by calling 517-241-6470.

Although Michigan registration is also available to register a trademark that may not otherwise qualify for federal registration (e.g., for goods sold only in the State of Michigan), most services are considered to be interstate commerce, even if the services are provided only from a single location within the state. **Federal registration is generally preferred over a state registration**.

County registration of trademark for limited protection.

Trademark Limits

The USPTO will not grant registration to the following categories of trademarks:

1. **Generic or descriptive terms**
   - Generic words are common words that describe an entire class of goods or services. Examples include the terms "Pizza Restaurant" for a pizza restaurant and "Golf Clubs" for golf clubs.

2. **Surnames**
   - Because a trademark grants the applicant exclusive rights to use, the USPTO does not want one person to have the sole right to use their surname and thereby prevent others of the same surname from using this name in connection with their business.

3. **Geographically descriptive or geographically mis-descriptive terms**
   - Examples of a geographically descriptive mark include using the term "champagne" to describe champagne from the French province of Champagne, or geographically misdescriptive terms, such as using the term "champagne" to describe sparkling wine from California. Because a trademark grants the applicant exclusive rights to use, the USPTO does not want to prevent others from using the term "champagne" to describe their brand of champagne nor allow a company to lie about the origin or their product.

4. **Scandalous or immoral marks**
   - These are marks that offend the conscience.

5. **Deceptive marks**
   - The USPTO does not want the consumer deceived.

Trademark Limits Example

Trademark: KIDSRADIO

- Registration 1993
- Radio Program for Kids
- 1997—Fox Kids Radio
- Temporary Restraining Order (TRO) in Federal Court
- TRO violated by Fox—Sanctions of $1.0 mil
  - Information Packages to Radio Stations
- KIDSRADIO mark attacked as generic/descriptive
- Sanctions appealed to 7th Circuit Court of Appeals
- Case settled prior to Court of Appeals Decision

Trademark Advice

- Trademark Clearance Letter or trademark search
  - Make sure you have a name to protect before investing in mark
- Trademark Assignments
- Trademark License
- Subsequent Filings/Renewals
  - Section 8, Section 9, Incontestability
  - Keep your registration active (Live not Dead)
- Trademark Enforcement/Monitoring
  - Monitor Possible Infringement of Trademark (in-house or through service)
  - Protect Trademark
    - Cease and Desist letters, Court, etc.
- Protect Value of Trademark by using ®, TM, SM and build the brand.

Copyright

What is a copyright?

- The word copyright basically means the right to copy. **A copyright protects the expression of an idea, but not the idea**. For example, two separate and independent photographs of an identical object are each a copyrightable expression of the same idea or scene. Other **examples of copyrightable material include books, paintings, music, records, plays, movies, and software**. Information used in connection with a website, such as text, code, graphics, and sound, is also copyrightable.

- **A work is automatically copyrighted at the moment of creation**. No notice is necessary. However, it is still good practice to place the copyright notice on all copies of the work before the work is published or distributed. A notice tells the public who produced the work and that the owner claims the protection of copyright laws. A work published without a copyright notice may be "innocently infringed on".

- The easiest way to protect a copyright is for the copyright owner (or someone the owner authorizes) to place the notice of the copyright on all publicly distributed copies of the copyrighted work. **Copyright notice consists of three elements**:

1. an encircled letter C, ©, or the word copyright
2. the year of the first publication
3. the name of the copyright owner

Copyright Rights

What are the rights of the copyright owner?

- **Rights of reproduction, adaption, distribution, public performance, public display, and public performance of sound recordings** by digital audio transmission, 17 U.S.C. § 106
- Moral rights for certain works of visual art, 17 U.S.C. § 106A
- New anti-circumvention and anti-trafficking rights in Digital Millennium Copyright Act, 17 U.S.C. § 1201
- New protections for copyright management information in DMCA, 17 U.S.C. § 1202.

Copyright Rights-Limits

What are the exemptions and limits to copyrights?

- **Compulsory License**: Section 115 of the Copyright Act provides a compulsory license to make and distribute phonorecords once a phonorecord of a work has been distributed to the public in the United States under authority of the copyright owner, subject to certain terms and conditions of use.

- **Fair Use**: Section 107 contains a list of the various purposes for which the reproduction of a particular work may be considered fair use, such as **criticism, comment, news reporting, teaching, scholarship, and research**.
  - The distinction between what is fair use and what is infringement in a particular case will not always be clear or easily defined.

Copyright Rights-Limits

More limits:

- **Public Domain**: **This refers to works which are no longer covered by copyright law**. For example, "Great Books" of Aristotle, Edgar Allen Poe, etc. can be published by anyone because the copyright has expired. Compare prices of public domain v. non-public domain at a book store or iBooks Store®.

- **Non-Copyrightable Works:** Copyright infringement cannot occur when someone uses material that cannot be protected by copyright, such as **facts or ideas**. However, if someone puts a bunch of facts into the form of a book (e.g., The Farmer's Almanac), copying all or part of that book would constitute copyright infringement. **The distinction between what is fair use and what is infringement in a particular case will not always be clear or easily defined**.

- **Governmental Works**: A work of the United States government, as defined by the U.S. copyright law, is **"a work prepared by an officer or employee" of the federal government "as part of that person's official duties."** In general, under section 105 of the Copyright Act, such works are not entitled to domestic copyright protection under U. S. law.

Copyright Duration

How long do copyright rights last?

- Basic copyright term for works created on or after January 1, 1978 is the life of the author plus 70 years.
- If work is created "for hire" and the copyright is owned by a corporate entity (otherwise than by transfer), 95 years from publication or 120 years from creation, whichever expires first.
- Public Domain v copyright term: Anne Frank's Diaries

Copyright Sources

What are the legal sources for copyright law?

- **U.S. Constitution Article I, Section 8, Clause 8**
  - "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."

- **Copyright Act, 17 U.S.C. § 101 *et seq*.**

- **Sect. 102. Subject matter of copyright: In general.** (a) Copyright protection subsists, in accordance with this title [17 USCS Sects. 101 et seq.], in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

  (1) literary works;

  (2) musical works, including any accompanying words;

  (3) dramatic works, including any accompanying music;

  (4) pantomimes and choreographic works;

  (5) pictorial, graphic, and sculptural works;

  (6) motion pictures and other audiovisual works;

  (7) sound recordings; and

  (8) architectural works.

  (b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

What Copyright Protect?

Literary works—Includes books, newspaper articles, and blog posts. Even your last email would be considered a literary work. The definition of literary works is so broad it even **includes computer programs**.

Musical works—Includes musical works of all kinds.

Dramatic works—Includes plays, screenplays, and TV scripts.

Choreographic works—Includes dances, ballets, and mime performances.

Pictorial, graphic, and sculptural works—Includes paintings, drawings, photographs, and digital illustrations.

Motion pictures and other audiovisual works—Includes movies, live webcasts that are being saved, slideshows, and video podcasts.

Sound recordings—While the musical notes that make up a song is protected as a musical work, the actual recording of that performed notation is protected as a sound recording. Sound recordings are a distinct and independent category from musical recordings because they also includes everything that can be recorded and reproduced that isn't music, including speeches, sound effects, and audio books.

Architectural works—Buildings that have elements that meet the general "requirements for protection" particularly if they have sufficiently original design elements and designs that are independent of the utilitarian purposes of the building, can be protected by copyright law.

Copyright Registration

Must copyright rights be registered to obtain protection?

- No – (for works created on or after January 1, 1978).
- **Benefits of Registration**:
  - You must **register your copyright before court infringement action**. 17 USC § 411(a).
  - You must register your copyright before the end of 3 months after the date of first publication (or, in the case of unpublished works, before the end of the first month after initially learning that your work was infringed) to get **the benefit of statutory damages and attorney's fees**. 17 USC § 412. Note that you do not have to publish to register the copyright (this can be unintuitive for authors who associate copyright in some way with publication).
  - **Registration made before the end of five years after the date of first publication will constitute *prima facie* evidence in court that a copyright is valid and that all the facts stated in the certificate of registration are true**. 17 USC § 410. This means that it becomes the defendant's burden to show that your copyright is invalid or that you're not the owner, a potentially powerful shift in the relative powers of the parties.
  - **Registration provides notice** to everyone that you own the copyright, making it harder for infringers to argue that they infringed "innocently."
  - Registration may make it easier to transfer your copyright, and in some industries (such as film scripts), registration of copyright is a prerequisite to get some people (like agents) to take you seriously.

Copyright Registration

- **Form TX**—Use Form TX for registration of published or unpublished nondramatic **literary works**, excluding periodicals or serial issues. This class includes a wide variety of works: fiction, nonfiction, poetry, textbooks, reference works, directories, catalogs, advertising copy, compilations of information, and computer programs
- **Form VA**—Use Form VA for copyright registration of published or unpublished works of the **visual arts**. This category consists of "pictorial, graphic, or sculptural works," including two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, technical drawings, diagrams, and models.
- **Form SE**—Use a separate Form SE for registration of each individual issue of **a serial**. A serial is defined as a work issued or intended to be issued in successive parts bearing numerical or chronological designations and intended to be continued indefinitely. This class includes a variety of works, such as periodicals; newspapers; annuals; and the journals, proceedings, and transactions of societies. Do not use Form SE to register an individual contribution to a serial.
- **Form PA**—Use Form PA for registration of published or unpublished works of the **performing arts**. This class includes works prepared for the purpose of being "performed" directly before an audience or indirectly "by means of any device or process." Works of the performing arts include: (1) musical works, including any accompanying words; (2) dramatic works, including any accompanying music; (3) pantomimes and choreographic works; and (4) motion pictures and other audiovisual works.

- **Form SR**—Use Form SR for registration of published or unpublished **sound recordings**. Form SR should be used when the copyright claim is limited to the sound recording itself, and it may also be used where the same copyright claimant is seeking simultaneous registration of the underlying musical, dramatic, or literary work embodied in the phonorecord. With one exception, "sound recordings" are works that result from the fixation of a series of musical, spoken, or other sounds. The exception is for the audio portions of audiovisual works, such as a motion picture soundtrack or an audio cassette accompanying a filmstrip. These are considered a part of the audiovisual work as a whole.

Copyright Registration

- **Registration Costs:**
  - Single Application (single author, same claimant, one work, not for hire): $35
  - Standard Application: $55
  - Paper Registration: $85
- **Mandatory Deposits:**
  - All works under copyright protection that are published in the United States are subject to the mandatory deposit provision of the copyright law (17 USC § 407).
  - This law requires that two copies of the best edition of every copyrightable work published in the United States be sent to the Copyright Office within three months of publication. Works deposited under this law are for the use of the Library of Congress.
  - Mandatory deposit applies to works first published in a foreign country at the point at which they are distributed in the United States.
- **Electronic Registration:**
  - http://copyright.gov/eco/index.html
- **Copyright Information:**
  - http://copyright.gov/help/faq/index.html

Copyright Notice

Do you have to mark your work with © to get copyright protection?

- No, but it's generally a good idea because:

1. It **informs the public** that the work is protected by copyright (and thereby helps to scare aware potential infringers);

2. It **prevents** a party from claiming the status of "**innocent infringer**", which may allow a party to escape certain damages under the Copyright Act; and

3. It **identifies the copyright owner and the year of first publication** (so that third parties will know who to contact to request a license to the work).

Copyright Notice

The copyright notice generally consists of three elements:

1. The **symbol** ©, or the word "Copyright" or the abbreviation "Copr.";

2. The **year of first publication** of the work; and

3. The **name of the owner** of copyright in the work.

If the work is unpublished, the appropriate format for the notice includes the phrase "Unpublished Work" and the year of creation.

- Example: Unpublished Work © 2015 Michael J. Caywood

Copyright Notice

- **The "C in a circle" notice is used only on "visually perceptible copies**." Certain kinds of works—for example, musical, dramatic, and literary works—may be fixed not in "copies" but by means of sound in an audio recording.

- Because audio recordings such as audio tapes and phonograph disks are "**phonorecords**" and not "copies," under the Copyright Act, the "©" notice is not used to indicate protection of the underlying musical, dramatic, or literary work that is recorded. Instead, **a symbol ℗ is used**.

- Because **computer software** is considered to be visually perceptible (with the aid of a machine), the copyright notice for software should **use the © format**.

- For computer software, the copyright notice is generally placed on the medium of distribution (that is, on the diskette or CD-ROM used to distribute the software—now "old school"?). In addition, **it is wise to make the copyright notice visible on the screen when the program is executed**. One way of doing this is to include the notice on a splash screen which is temporarily shown when the program is initially executed.

- **Include a "shrink wrap license" with any software (physical or electronic)**.

- The notice should be affixed to copies or phonorecords of the work in such a manner and location as to give reasonable notice of the claim of copyright.

Copyright Work-for-Hire

What is work-for-hire doctrine?

"**Work made for hire**" is a doctrine created by U.S. Copyright Law. Generally, the person who creates a work is considered its "author" and the automatic owner of copyright in that work. However, under the work made for hire doctrine, the employer or the company that has commissioned a work, not the creator of the work, is considered the author and automatic copyright owner of the work.

For a regular employee, the employer will own any work created within the scope of the employee's employment, automatically, as a work made for hire.

Copyright Work-for-Hire

What about non-employee and independent contractor works?

For non-employee works, the client owns the work as work made for hire only if:

(1) the **work was specifically ordered** or commissioned; and

(2) the **work was commissioned for use as one of the following**:

- a contribution to a collective work
- a part of a motion picture or other audiovisual work
- a translation
- a supplementary work (to another author's work, such as a foreword, chart, or table)
- a compilation
- an instructional text
- a test
- answer material for a test, or
- an atlas; and

(3) the contract for the work, **before work begins**, explicitly states that the work is a "work made for hire."

Copyright Work-for-Hire

How address work-for-hire doctrine?

- For employees, **include a "work for hire" provision in any employment contract and employee handbook**.

Since **a work does not become "for hire" unless the work falls within one of the nine narrow categories, a written work for hire agreement does not always result in a work becoming "for hire".** For example, a novel, can never be a work for hire, because it does not fall into one of the nine categories of works eligible for work for hire status by non-employees.

- For non-employees and independent contractors:
  - Prepare and execute a **contract** before work begins making it a **work for hire and explicitly indicate the copyright and other intellectual property rights are owned by the hiring company**.
  - Include an **assignment** of any copyrights or other intellectual property rights as a fall back to a rejection of the work for hire provision.
  - Include an **exclusive and unlimited license** (as to territory, duration, type of media, and rights to create derivative works). As a rule, a hiring party prefers to obtain rights on "work for hire" basis with no limitations because the hiring party steps into the shoes of the creator and becomes the author of the work for copyright purposes.

Copyright Infringement

What is copyright infringement?

- **Copyright infringement occurs when someone other than the copyright holder copies the "expression" of a work**. This means that the idea or information behind the work is not protected, but how the idea is expressed is protected. For example, there have been many movies about pirates, but only one Jack Sparrow.

- Copyright infringement can occur even if someone does not copy a work exactly. This example of copyright infringement is most easily apparent in music and art. **Copyright infringement occurs if the infringing work is "substantially similar" to the copyrighted work**.

Copyright Infringement Examples

George Harrison "My Sweet Lord"

Chiffons "He's So Fine"

Ronnie Mack, composer

More recent example: Robin Thicke's "Blurred Lines" infringed Marvin Gaye's 1977 "Got to Give it Up"

$7.3 million in damages

Copyright Infringement

Court: "Did Harrison deliberately use the music of He's So Fine? **I do not believe he did so deliberately**. Nevertheless, it is clear that My Sweet Lord is the very same song as He's So Fine with different words, and Harrison had access to He's So Fine. **This is, under the law, infringement of copyright, and is no less so even though subconsciously accomplished".**

Damages: Court ordered Harrison and Apple to pay Bright Tunes **$1,599,987** – amounting to three-quarters of the royalty revenue raised in North America from "My Sweet Lord".

Copyright Infringement

What are the copyright infringement remedies?

- **Criminal Prosecution**:
  - A fine of not more than $500,000 or imprisonment for not more than five years, or both, for the first offense.
  - A fine of not more than $1 million or imprisonment for not more than 10 years, or both, for repeated offenses.
- **Injunctions and impoundment**: Copyright Act § 502 authorizes courts to grant both preliminary and permanent injunctions against copyright infringement and against violations of the author's rights of attribution and integrity in works of visual art. There are also provisions for impounding allegedly infringing copies, phonorecords, and other materials used to infringe, and for their ultimate destruction upon a final judgment of infringement.
- **Actual Damages**: Must present evidence to demonstrate damages and lost profits actually suffered.
- **Statutory Damages**:
  - Statutory damages range from $750 per work to $150,000 per work
  - In case of "**innocent infringement**", the range is **$200 to $150,000 per work**. In particular, if the work carries a copyright notice, the infringer cannot claim innocence.
  - In case of "**willful infringement**", the range is **$750 to $300,000 per work**.
- **Attorneys' fees**: Copyright Act § 505 permits courts, in their discretion, to award costs against either party and to award reasonable attorneys' fees to the prevailing party.

Copyright Practical Advice

- **Protect your copyrights.**
  - **Register**.
  - Establish **policies** to make sure you or your company owns your copyrights (not an employee or independent contractor).
  - **License** to end users.
    - BMI (music), ASCAP (music), Getty Images (photos), 500px (images)
  - Actively **monitor and investigate**.
    - Can be done through a service.
  - **Cease and desist letters**.
  - Copyright infringement **court actions**.
- **Avoid infringement.**
  - **Do not copy. Create original material**.
    - Remember copyright does not require registration and does not require copyright notice
  - **Ask for permission** before using copyrighted work.
  - Get a **license**.
    - Musicians, composers, restaurants, pubs, and other users.
      - **ASCAP**—American Society of Composers, Authors and Publishers, a membership association of more than 525,000 US composers, songwriters, lyricists and music publishers.
      - **BMI**—BMI supports businesses and organizations that play music publicly by offering blanket music licenses that permit them to play more than 8.5 million musical works.
    - Web designers, graphics, website, brochures, etc.
      - Getty Images (images), 500px (images)

Trade Secrets

What are trade secrets?

- Trade secrets are confidential business information which gives a company a "competitive edge" and can include a formula, recipe, process, practice, design or compilation of **information which is not generally known or reasonably ascertainable**.

Trade Secrets Rationale

What is the rationale for trade secrets?

- The policy basis for trade secret protection is the **desire to encourage research and development** by providing protection to the originator of business information, and also to maintain proper standards of business ethics.

- The trade secret owner is not granted exclusivity to the information, but rather is **only protected against improper acquisition and/or use of the information**. As a result, others are free to discover a trade secret by any fair means.

- There is **no registration** for trade secrets.

- A company must take efforts to **maintain secrecy** and document such efforts. (Discuss Illinois injunction example)

Trade Secrets Sources

What are the legal sources for trade secrets?

- Trade secrets are protected under state law and in most states under the Uniform Trade Secret Act. Trade secrets can also be protected under common law.

- Michigan has adopted the Uniform Trade Secret Act and has common law protections for trade secrets (well prior to MUTSA).
  - Michigan Uniform Trade Secrets Act (MUTSA), MCL 445.1901, et seq.

Trade Secret Defined

The Michigan Uniform Trade Secret Act contains a concise but broad definition of *trade secret:*

"**Trade secret**" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that is both of the following:

(i) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

(ii) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Trade Secret Defined

The Michigan common law definition of *trade secret:*

- A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it. It may be a formula for a chemical compound, a process of manufacturing, treating or preserving materials, a pattern for a machine or other device, or a list of customers.

Courts generally use the following **factors in determining whether information qualifies as a trade secret**:

1. The extent to which the information is known outside of [the] business;

2. The extent to which it is known by employees and others involved in [the company's] business;

3. The extent of measures taken by [the business] to guard the secrecy of the information;

4. The value of the information to [the business] and [its] competitors;

5. The amount of effort or money expended by [the business] in developing the information; and

6. The ease or difficulty with which the information could be properly acquired or duplicated by others.

Trade Secret Limits

The following are **NOT** trade secrets:

- Confidential Information

- Information that is in the realm of general skills, knowledge, and experience is not a protectable trade secret.
  - Distinguishing between an employee's "general knowledge and experience" and something "peculiar to the employer's business" is fact-sensitive and not easy to define.
  - For example, although "mere customer names and addresses" may not qualify, "peculiar information" regarding customer needs may qualify.
  - Similarly, while an employee's knowledge of a former employer's computer technology may qualify as a trade secret, manufacturing processes known generally within the industry do not.

- Information publicly available or not acquired in confidence.
  - The law does not provide protection for knowledge that is common property within a trade or industry or for an idea that is well known or easily ascertainable.

Trade Secret v. Confidential Information

- **Courts frequently** have recognized the existence of, and afforded protection to, "confidential information" without formally defining that category of knowledge, and they have **protected "confidential information" even when it does not rise to the level of a trade secret under applicable laws**, such as UTSA.

- **Information need not rise to the level of a trade secret in order to be considered valuable confidential information**. For example, the owner of the information might not have taken "reasonable measures" to keep it secret, as required by the UTSA, and therefore would not be able to satisfy the requirements of the UTSA's definition of "trade secret."

- Non-trade secret information might still be unknown to others and its owner might well consider it confidential and valuable. **A customer list containing only publicly available information probably does not pass muster as a trade secret**, but it may (due to time and expense invested to collect that information) be considered by its owner to be valuable and confidential. Under these and other scenarios, there may be information that is "confidential" but does not rise to the level of a "trade secret."

Trade Secret v. Confidential Information

Trade Secret v. Confidential Information:

- While confidential information may not warrant trade secret protection, **confidential information may still be protected by contract**. Employment contracts, employee handbooks, and company policies should all address the protection of confidential information.

- Several possible tort theories may exist for misappropriation of confidential information, including breach of fiduciary duty, interference with contractual relations, unfair competition, fraud, conversion, or actions for unjust enrichment.

Trade Secret Examples

- Some Customer Lists
- Protocols
- Formulas
- Recipes
- Business Methods
- Methodologies

Famous Trade Secrets

Coca-Cola—Recipe

WD-40—Formula

Famous Trade Secrets

Listerine—Formula

Star Hotels—Protocol

Famous Trade Secrets
Google—Algorithm

Famous Trade Secrets Twinkies—Recipe

Famous Trade Secrets KFC—Recipe

Trade Secret Misappropriation

A common law claim of misappropriation of trade secrets has three elements:

(1) the existence of a trade secret;

(2) the defendant's acquisition of the trade secret in confidence or through improper means; and

(3) the defendant's unauthorized use of it.

Trade Secret Misappropriation

The Uniform Trade Secret Act (MUTSA) defines misappropriation as either of the following:

(i) **Acquisition** of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired **by improper means**.

(ii) **Disclosure or use of a trade secret** of another without express or implied consent by a person who did 1 or more of the following:

(A) Used improper means to acquire knowledge of the trade secret.

(B) At the time of disclosure or use, knew or had reason to know that his or her knowledge of the trade secret was derived from or through a person who had utilized improper means to acquire it, acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use, or derived from or through a person who owed a duty to the person to maintain its secrecy or use.

(C) Before a material change of his or her position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.

"**Improper means"** is defined to include "theft, bribery, misrepresentation, breach, or inducement of a breach of a duty to maintain secrecy or espionage through electronic or other means." MCL 445.1902(a).

Trade Secret Contested Issues

The most frequently litigated issues in trade secret cases:

Customer lists

- Whether or not customer lists receive trade secret protection, depends greatly on the content of the information, its peculiarity as to specific customers, and the ease with which competitors can obtain the same or similar information by other means.
- One Federal Court case has indicated that customers lists are at most confidential information

Cost, Profit and Sales Data

- The issue is "dependent upon the content of the retrieved data and the context of its availability elsewhere." As with customer lists, sales data may qualify as a trade secret under MUTSA, depending upon the uniqueness of its content, its economic value to competitors, and its general availability.

Design and Manufacturing Information

- Example: Internet publication of an internal Ford memorandum containing Ford's strategies relating to fuel economy, vehicle emissions, technology advances, and blueprints violated MUTSA.

Computer Software (although more a copyright issue)

Business Processes or Methods

- Valid trade secret protection for an intangible business process or method, or merely a backdoor attempt at asserting ownership over general skills and knowledge of employees?
- Key question is whether the business practice, regardless of its economic value to its owner, is generally known or readily ascertainable by other persons.

Trade Secrets Protection

To qualify as a trade secret, the information must be the subject of **reasonable efforts to maintain its secrecy**. MCL 445.1902(d)(ii). It follows that trade secret information can lose its protected status when secrecy is no longer maintained, either because the information has been disclosed or because other parties have developed the information independently.

- Employment Agreements and Employee Handbooks
  - Confidentiality/Non-Disclosure Provisions
  - Non-Compete/Non-Use Provisions
- Confidentiality and Non-Disclosure Agreements with Third-Parties
- Password Protected Files
- Limited Access
- Locking Doors, Cabinets, etc.
- Clean Desk Policies
- Security Systems and Protocols
- Aggressive and Continuous Enforcement of Rights
- Confidentiality Protocols

Other IP Rights

- **Confidential Information**—See above discussion of Trade Secrets
- **Right of Publicity**—The right of an individual to control the commercial use of his or her name, image, likeness, or other unequivocal aspects of one's identity.
  - In Michigan, the right of publicity is not well developed, but it has been recognized. Because publicity rights are unique to each individual, the individual has the exclusive right to control the commercial use of his or her identity. Essentially, the individual "owns" his or her identity and has the right to exploit features, elements or characteristics of that identity—like voice, name, performing style—as that individual sees fit. Generally, publicity rights, like property rights, are descendible and can be exploited for a period of time after the individual's death. Like copyrights, trademarks, and patents, publicity rights may be assigned or licensed.
  - A Consent and Release for Use of Story, Likeness, and Voice is often desirable.
- **Domain Names**—An IP address converted into letters. Domain names are used in URLs to identify particular web pages.
  - Domain names are registered through domain name "registrars," like GoDaddy, Network Solutions, etc. Domain name registration is typically inexpensive and often handled directly by clients or their IT providers. Ownership of a domain name affords no substantive rights in the name as a trademark. That is achieved through use or trademark registration.

Cyber-Law

- **Evolving Internet Law**—New law being created around the world: through statutes, regulations, and case law.
- Claims of trademark and copyright infringement have become common place items on the Internet.
- The law **does** apply to the Internet

Website Development

Content: Do not copy the work of others to create a website.

1. **Images**:
   - **Create original images** from drawing and painting programs, or original photographs.
   - **Do NOT take images from third-parties**. The moment an original image (or string of text) is fixed on a hard drive for the first time, it is protected by copyright. Any unauthorized copying of a protected image is an infringement of the creator's copyright, unless the use falls within one of the very limited exceptions to the copyright law, such as "fair use"—which is unlikely.
   - **Licensed images from the Internet**. MasterCard/Visa and many others allow the use of a logo, but only under a licensing agreement. Images can be licensed from man sites like Getty Images, 500px and others.
   - **Clip-art Libraries**. Using clip-art from these libraries into a page does not violate copyright law, as these images are licensed to the purchaser of the software for this purpose. Be sure to follow the license agreement.
   - **Free Images Off the Internet**. Some web sites provide images that are for use by others. These images may be used in a web page, as long as the terms proposed by the image creator are followed.
   - For licensed images, be sure to **follow the license**. For example, do not alter and create a new derivative work.
2. **Text**:
   - The guidelines for text development are similar to those for obtaining images. **Use truly original text**, developed by the creator of the web-site, may be used without copyright concerns.
   - **Using the text of a third-party (e.g., a competitor) without permission is illegal**, unless there is some substantial "fair use" justification for the taking.
   - Use of third-party text pursuant to a license agreement should **follow the terms of the license agreement**.
   - Be sure to **confirm when using any public domain works**.

Web: Domain Names

- **Selecting a Domain Name**. Domain names have a first and second level. For example, in dresserlaw.com, the ".com" portion is considered the first or top level domain name, and "dresserlaw" is considered a second level domain name. To obtain a domain name using one of these top level domain names, do a Whois search or go to godaddy.com or other similar domain name site to make sure the name is not taken. **Make sure the domain name does not infringe someone's trademark**.

- **Reclaiming a Domain Name Registered by Another**. Occasionally, upon searching for a domain name, a party may discover that someone else has already taken their corporate name or trademark as a domain name. In most cases, there is little that can be done because the other party has equal right to use that name. It is possible to contest a registered domain based upon superior rights through the courts or through InterNIC's domain name dispute policy.

- **Protecting a Domain Name**. In order to better protect a domain name, a domain name owner should obtain a trademark registration to the domain name.

- **Obtaining Multiple Domain Names under Different Top Level Domains**. It may be wise for the owner of a strong trademark to obtain domain name registrations under multiple top-level domain names. For example, "dresserlaw.net", "dresserlaw.firm", "dresserlaw.web". This will add costs, but will prevent competitors from obtaining the sites.

- **Consider Variations of Domain Name**. “walmart.com”, “wallmart.com”, “companysucks.com”, “badcompany.com”, etc.

Web: Trademark Issues

- Do not use someone's trademark. (trademark search?)
- **Discussing the trademarks of others**. There is nothing inherently wrong with the identification of other party's products on a web page by using their trademarks. Avoid use of a trademark that might cause confusion among viewers as to the source or sponsorship of the web page. Such use might constitute trademark infringement.
- **Linking to another page through that party's logo or trademark**. It is common to find a link to another web page made through a company's name, trademark, or logo. In most cases, this type of link will not cause trademark concerns unless the use causes the type of confusion discussed above. However, **the use of another party's logo without their permission may be more likely to raise the type of confusion that creates trademark infringement**, since a graphical logo arguably creates a stronger impression of an affiliation than mere text.

Web: Defamation

Defamation exists on the internet and in social media.

Defamation refers to a false statement made about someone or some organization that is damaging to their reputation. For a statement to be defamatory, the statement must be published to a third party, and the person publishing the statement must have known or should have known that the statement was false. A claim of defamation is subject to a variety of defenses, such as the First Amendment and the defense that the statement was true. An opinion is typically not defamatory (but be careful).

Where does defamation exist?

- Facebook, LinkedIn, Twitter, Instagram
- Chat rooms and listserves
- Blogs and blog comments
- On-line newspapers and magazines

*Defamation law is complex and lawsuits are expensive. Treble damages and attorneys' fees possible.

Web: Linking & Other Issues

- **Derivative Work Created by Linking Images Found on Other Sites**. When the image from another web site is incorporated into one's own page by means of an unauthorized IMG link, there is no direct copying by the creator of the link. When the visiting browser retrieves the image from the other web site and combines it with the text on the current page, however, the creator of the web site may be guilty of contributory copyright infringement for creating a derivative work. Avoid links to images found on another party's web site without first getting permission.

- **Passing Off**. One can also utilize a link to pass off another's work as one's own.

- **Defamation**. A link to another's page or image could be defamatory, and hence subject someone to legal liability. An example defamatory link would be: "This person http://www.falselink.defamation stole my invention." The statement itself does not identify the party, but the link (if it linked to someone) may turn the statement into defamation.

- **Trademark Infringement**. Any link that falsely leads the end user to conclude that the web page author is affiliated, approved, or sponsored by the trademark owner could lead to a claim of trademark infringement.

Patent*

What is a patent?

- A patent for an invention is the grant of a property right to the inventor, issued by the United States Patent and Trademark Office. **Patents protect novel and non-obvious inventions**. A patent grants "the right to exclude others from making, using, offering for sale, or selling" the invention in the United States or "importing" the invention into the United States." What is granted is not the right to make, use, offer for sale, sell or import, but **the right to exclude** others from making, using, offering for sale, selling or importing the invention.
    - **Utility Patents**—Utility patents are granted to anyone who **invents or discovers any new and useful** process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof.
    - **Design Patents**—A design patent **protects only the ornamental appearance of an article, and not its structure or utilitarian features**. If a design is utilitarian in nature as well as ornamental (such as computer mouse design which is more comfortable to use), a design patent will not protect the design. Such combination inventions (both ornamental and utilitarian) can only be protected by a utility patent.

***Patent Law is very specialized and requires an attorney licensed with the Patent Bar to prosecute a patent application. I am not licensed with the Patent Bar. Please see a patent attorney as soon as possible for any patent related issues.**

Patent

What is a patent?

- **Software Patents**—Although most software related inventions are statutory under current law, it is important to remember that neither "software" nor "data structures" are *per se* patentable. What is patentable is a "**process, machine, manufacture or composition of matter**". Thus the guidelines are framed so as to assist in determining when computer related inventions are to be considered patentable processes or machines.

- **Plant Patents**—In 1930, the United States began granting patents for plants and in 1931, the first plant patent was issued to Henry Bosenberg for his climbing, ever-blooming rose. Under patent law, the inventor of a plant is the person who first appreciates the distinctive qualities of a plant and reproduces it asexually. In other words, a plant can be created (i.e., by breeding or grafting) or it can be "discovered." Plants discovered in "the wild" or uncultivated state cannot be patented because they occur freely in nature.

***Patent Law is very specialized and requires an attorney licensed with the Patent Bar to prosecute a patent application. I am not licensed with the Patent Bar. Please see a patent attorney as soon as possible for any patent related issues.**

Patent Rationale

What is the policy rationale for patent law?

- Utilitarian theories: maximize social welfare, create limited monopoly rights to incent inventions and disclose them to the public after a period of time

Patent Rights

What are the rights of the patent holder?

- The patent statute does not grant the right to make, use, offer for sale, or sell the invention in the United States or import the invention into the United States, but **the right to exclude** others from making, using, offering for sale, selling or importing the invention.

Patent Duration

How long do patent rights last?

- Generally, **20 years from the date on which the application for the patent was filed** in the United States or, in special cases, from the date an earlier related application was filed, subject to the payment of maintenance fees
- A design patent has a term of 14 years from the date of issuance.

Patent Sources

What are the legal sources for patent law?

- **U.S. Constitution Article I, Section 8, Clause 8**
  - "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."

- **Patent Act, 35 U.S.C. § 1, *et seq.***

Patent Rights Warning

Inventors may lose patent rights if they do not follow US patent law. Once those rights are gone, they cannot be regained. The primary ways inventors can lose their exclusive rights include publication, public use or sale, and abandonment.

- **Publication**—**If an invention is described in a printed publication more than a year before its inventor applies for a patent, the inventor will lose the right to the patent**. The offending description must be clear and exact so that a person who is skilled in the area of the invention could duplicate it. A vague description of the invention will not adversely affect the inventor's rights.

- **Public use or sale**—**If an invention is used or offered for sale in the US more than one year before the inventor applies for a patent, the inventor loses patent rights**. While the "on-sale bar" prevents the inventor from taking too long to claim patent rights, it also provides time to test the market for the invention and perfect its features. Even if only one person knows of the public use or sale, and even if the inventor does not know of the public use or sale, the inventor can still lose patent rights. During the year in question, the invention must be functional rather than experimental.

- **Abandonment**—**Abandonment can occur in several different ways, but the essence of abandonment is that the inventor appears to have given up the intention to patent and exploit the invention**. In this situation, there is no specific time limit on when inventors must file for patents. A factual analysis by the court will determine whether an unreasonable delay occurred. If the inventor abandoned the invention, the invention belongs to the public. When an inventor purposely conceals an invention for an unreasonable time and another inventor applies for a patent on the same invention—having come up with the invention independently and in good faith—the second inventor will have the right to the patent.

- **Disclosure**—**Disclosure to a third party not under any confidentiality obligations is publication.**

Lesson—**Do not wait. See a patent lawyer as soon as possible in the process.**

Patent Registration

Must patent rights be registered to obtain protection?

- You must obtain a patent from the United States Patent and Trademark Office. This requires a lengthy and expensive examination process.

- Patent prosecution

- "**Prior Art**" (state of the art or background art), constitutes all information that has been made available to the public in any form before a given date that might be relevant to a patent's claims of originality. If an invention has been described in the prior art, a patent on that invention is not valid.

- **Patent Claims**—In a patent, the claims define, in technical terms, the extent (i.e., the scope) of the protection conferred by a patent, or the protection sought in a patent application. **The claims are of the utmost importance both during prosecution and any litigation**.

- **First to file has priority**.

Patent Registration

What is a provisional patent?

There is no provisional patent, but only a **provisional patent application**.

A provisional application includes a specification (i.e., a description) and drawings of an invention, but does not require formal patent claims, inventors' oaths or declarations, or any information disclosure statement.

The advantages of a provisional patent application are:

- **A provisional application can establish an early effective filing date** in one or more continuing patent applications later claiming the priority date of an invention disclosed in earlier provisional applications by one or more of the same inventors.
- Ease of preparation;
- Ability to develop claims;
- Lower cost; and
- The ability to use the term "patent pending", which can only be legally used when a patent application has been filed, and which may have significant marketing advantages.

Patent Claims

The **claims** for a patent or patent application define the technical scope of the protection conferred by a patent, or the protection sought in a patent application. **The claims are critical for the patent prosecution process, business licensing and use, and any later litigation**.

Patent Claims Examples:

Light bulb changer (US Patent 6826983) [13 total claims]

1. A light bulb changer apparatus, comprising: means for immediately detecting a burned out condition in a light bulb; means for automatically removing the burned out bulb upon; and means for automatically replacing the burned out bulb with a replacement bulb, wherein the detecting means, removal means, and replacing means occurs automatically in succession without human intervention.

Patent Claims Examples

Beerbrella (US Patent 6637447) [10 total claims]

1. A combined beverage container and shading apparatus, comprising: a beverage container, for containing a beverage; a means for removably attaching the apparatus to the beverage container; a shaft, coupled to the means for removably attaching the apparatus, and extending vertically with respect to the beverage container; an umbrella, coupled to the shaft at a point above the means for removably attaching, so as to shade the beverage container, wherein the means for removably attaching comprises a clip provided to attach to the beverage container by means of spring action and friction.

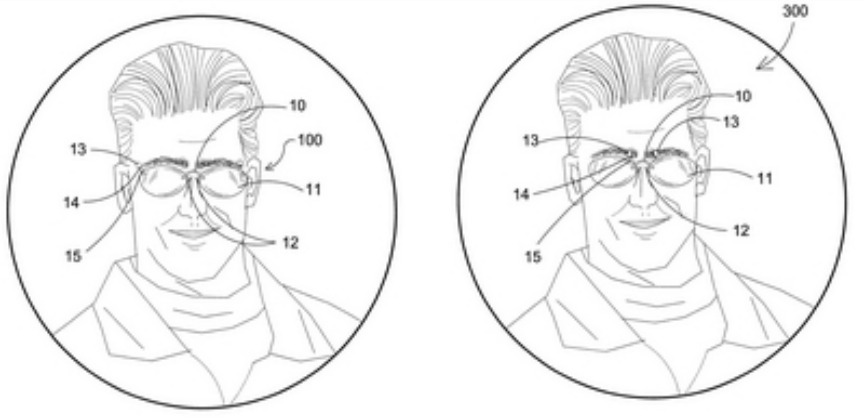
Patent Claims Examples

Display control apparatus for image forming apparatus (US Patent App. 20040161257) [30 total claims]

9. The method of providing user interface displays in an image forming apparatus **which is really a bogus claim included amongst real claims**, and which should be removed before filing; wherein **the claim is included to determine if the inventor actually read the claims and the inventor should instruct the attorneys to remove the claim**.

Frameless glasses attaching to body piercing studs (US Patent 6557994) [7 total claims]

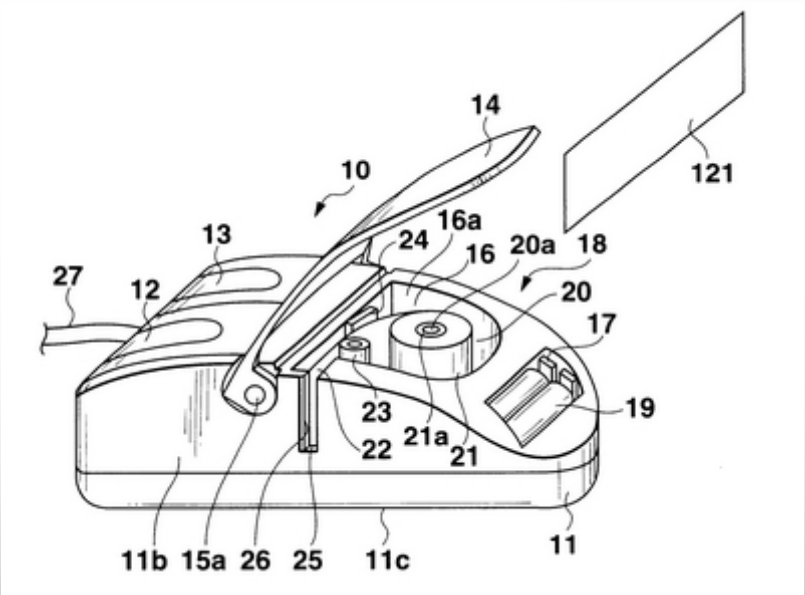
1. In combination with a body piercing eyebrow studs, a left stud fastened outbound on a left eyebrow, and a right stud fastened outbound on a right eyebrow, an improvement comprising: a left eyeglass member having a C shaped clamp fastened to an outbound section of the eyeglass member; a right eyeglass member having a C shaped clamp fastened to an outbound section of the eyeglass member; a connecting bridge joining the left to the right eyeglass member; and; wherein each C shaped clamp snaps onto the respective left or right stud.



Patent Claims Examples

Mouse device with a built-in printer (US Patent 6650315) [9 total claims]

1. A mouse device for use as an input device of a computer, said mouse device comprising: a housing in which recording paper is loadable; and a printer unit provided within the housing for printing on the recording paper print information received from the computer; wherein said printer unit comprises: a paper loading section in which the recording paper is loaded; feeding means for feeding the recording paper loaded in the loading section; a print head for printing on the recording paper fed by said feeding means; and a discharge port through which the recording paper is discharged by said feeding means out of the housing after printing by said print head.



Patent Markings

Do you have to mark your invention to get patent protection?

- If you are selling a patented product, you should mark each item with the word "patent" (or the abbreviation "pat."), together with the applicable patent number(s), e.g. Patent No. 1,234,567

- **If you fail to mark patented products, you can't recover damages for any patent infringement that occurs before the infringer has been actually notified of the patent**.

To Patent or Not to Patent?

Advantages of getting a patent:

- A patent gives you the right to stop others from copying, manufacturing, selling or importing your invention without your permission.
- You get protection for a pre-determined period, allowing you to keep competitors at bay.
- You can then utilize your invention yourself.
- Alternatively, you can license your patent for others to use it, or sell it, as with any asset. This can provide an important source of revenue for your business. Indeed, some businesses exist solely to collect the royalties from a patent they have licensed—perhaps in combination with a registered design and trade mark (e.g., IBM®).

Disadvantages of getting a patent:

- Your patent application means making certain technical information about your invention publicly available. It might be that keeping the details of your invention secret will keep competitors at bay more effectively.
- Applying for a patent can be a very time-consuming and lengthy process.
- It will cost you money whether you are successful or not: the application, searches for existing patents and a patent attorneys' fees can all contribute to expenses.
- You will need to be prepared to defend your patent. Taking action against an infringer can be very expensive. On the other hand, a patent can act as a deterrent, making defense unnecessary.

Patent Practical Advice

- **To Patent or Not to Patent**
- **Avoid losing your patent through** publication, public use or sale, non-confidential disclosure, or abandonment
- **See a patent lawyer as soon as possible.**
- **Protect your patent.**
  - Only share with a non-disclosure agreement in place.
  - Patent your invention
  - License your patent
  - Actively monitor and investigate possible patent infringement
  - Cease and desist letters
  - Patent infringement court actions
    - Any lawyer can litigate, but patent litigation is very specialized
- **Avoid infringement.**
  - Do not use someone else's patent.
  - Get a patent non-infringement opinion letter
    - Provides some comfort
    - Defense to a willful infringement claim
  - Get a license

IP Resources

Trademarks and Patents:

- United States Patent and Trademark Office
  - http://www.uspto.gov

- **Anticybersquatting Consumer Protection Act** (**ACPA**) (15 U.S.C. § 1125(d))—Enacted in 1999, ACPA established a cause of action for registering, trafficking in, or using a domain name confusingly similar to, or dilutive of, a trademark or personal name. **The law is designed to thwart "cybersquatters" who register Internet domain names containing trademarks with no intention of creating a legitimate web site**, but instead plan to sell the domain name to the trademark owner or a third party.

Copyrights:

- United States Copyright Office
  - http://www.copyright.gov

- **Digital Millennium Copyright Act** (**DMCA**)—A U.S. copyright law that implements two 1996 treaties of the World Intellectual Property Organization by amending the Copyright Act to **extend the reach of copyright, while limiting the liability of the providers of online services for copyright infringement by their users. It criminalizes production and dissemination of technology, devices, or services intended to circumvent measures** (commonly known as digital rights management or DRM) that control access to copyrighted works. It also criminalizes the act of circumventing an access control, whether or not there is actual infringement of copyright itself. In addition, the DMCA heightens the penalties for copyright infringement on the Internet. (e.g., Napster)

Presentation Sources

- Michigan Business Formbook, Chapter 13: Trademarks, Patents, and Copyrights.
- Michigan ICLE Practice Guide, Protect Your Client's IP: Strategies for the Business Lawyer.
- Michigan Business Torts, Chapter 4: Misappropriation of Trade Secrets.
- USPTO, Trademark Manual of Examining Procedure.
- United States Patent and Trademark Office
  - http://www.uspto.gov
- United States Copyright Office
  - http://www.copyright.gov
- Various Resources on Michigan ICLE Partners
- www.bitlaw.com
- Other Miscellaneous Resources

The End

Final Questions

THANK YOU

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