Protecting Your Ideas: An Overview of Intellectual Property Law

A Joint Project of the State Bar of Texas IP Section and the Texas Young Lawyers Association

"Protecting Your Ideas: An Overview of Intellectual Property Law" has been prepared to inform the public regarding the various types of intellectual property, the law that governs them, and steps needed to protect them. It was prepared as a joint project of the State Bar of Texas IP Section and the Texas Young Lawyers Association (TYLA). This handbook is not a substitute for the advice of a lawyer, but instead is designed to assist Texans in learning about their legal rights.

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For more information, or for additional copies, please contact the Texas Young Lawyers Association at (800) 204-2222, Ext. 1800

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Protecting Your Ideas: An Overview of Intellectual Property Law

I. Introduction

Most people have heard terms like "patent," "trademark," and "copyright," and generally understand that laws are in place to protect the work of inventors, designers, authors, artists, and others. However, most non-lawyers (and many lawyers) will not necessarily know the answers to basic questions about intellectual property: How much protection does each type of intellectual property provide? What steps does someone need to take to protect his or her ideas? What is the difference between the various types of intellectual property? This handbook provides answers to these and other basic questions about intellectual property.[1]

A. What is Intellectual Property?

Intellectual property consists of creations of the mind. The owners of such creations are granted certain exclusive rights under the law, if they take the appropriate steps to protect that property. Intellectual property is not property that can be touched or felt. The most common types of intellectual property are utility patents, design patents, copyrights, trademarks, trade names, and trade secrets. Choosing the best way to protect your intellectual property requires a careful balancing of business interests, cost, and risk associated with each form of protection. Protecting inventions and technology often involve filings with governmental agencies and/or agreements such as non-disclosure agreements, license agreements, and/or joint venture agreements.

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1 Note that this handbook focuses on protecting intellectual property in the United States. There are deadlines and options for filing applications to protect intellectual property in foreign countries that may relate to the filings you make in the United States. Your use of intellectual property in other countries could infringe rights held by others in those countries. Therefore, if you are interested in foreign intellectual property protection or plan commercial activity in other countries, you should obtain prompt legal advice.

B. What Are the Different Types of Intellectual Property?

The law protects a number of different types of intellectual property, including patents, trademarks, copyrights, and trade secrets. Determining which area of intellectual property will protect a particular creation or idea can be confusing. It may be helpful to associate each area with what it protects:

Patents protect: ***Inventions and Designs*** (machines, tools, gadgets, and functional things)
Trademarks protect: ***Business Identity*** (names, logos, slogans, etc. that identify a particular product or company)
Copyrights protect: ***Expression*** (movies, music, literature, writings, artwork, and generally software)
Trade Secrets protect: ***Proprietary Information*** (secret formulas/recipes, confidential customer lists, and other confidential business information)

Each of these types of intellectual property is described in further detail in this handbook.

II. Patents

Protection of inventions is founded in Article 1, Section 8 of the U.S. Constitution, which grants Congress the power to "promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

There are two primary categories of patents: utility patents and design patents. Utility patents protect inventions which are considered new and useful and serve a function, including machines, processes, articles of manufacture, and compositions of matter. Design patents protect new, original, and ornamental designs for articles of manufacture.

A. Obtaining a Utility Patent

In order to obtain a utility patent in the United States, the invention must be new (novel), non-obvious, and useful. A patentee obtains the right to exclude others from

making, using, selling, offering to sell, or importing the claimed invention. Generally, the term of a patent is 20 years from the date of filing the application for the patent.

To obtain a patent, the inventor must file a patent application with the United States Patent and Trademark Office (USPTO). The patent application is subject to certain statutory requirements, but (in general) is a technical document which describes the invention in a way that a person of "ordinary skill in the art" (in other words, someone who has typical knowledge and abilities in the relevant technical field) could practice the invention. In most cases, the patent application includes drawings of the invention, generally prepared by a professional patent draftsman. Each patent application includes claims. Patent claims define the invention, setting forth the "metes and bounds" of the invention and describing the portions of the invention that are to be protected — similar to how a deed describes the legal boundaries of a piece of land. Once the patent application is received by the USPTO, it is assigned to an Examiner. The Examiner reviews prior patents and publications (referred to as "prior art") in order to assess whether the invention meets the statutory requirements of patentability, or if the invention is already disclosed or rendered obvious by what others have already contributed to the state of the relevant art prior to the applicant's invention. Whether the patent is obvious is determined from the point of view of a person of ordinary skill in the art to which the invention pertains. If the Examiner does not believe the invention - as claimed - meets the statutory requirements for patentability, he will issue an "Office Action" rejecting and/or objecting to some or all of the claims. The applicant may respond to the Office Action and attempt to convince the Examiner to grant a patent by presenting arguments against the rejection and/or by amending the claims to overcome the objections or rejections raised by the Examiner in the Office Action. If the applicant is able to convince the Examiner that the claimed invention is patentable, a patent will issue upon payment of the necessary fees. After a patent has issued, periodic maintenance fees must be paid to keep the patent in force.

Timing is important in protecting an invention with a patent. The filing date of the patent is used to determine what is and what is not "prior" to the patent application. There are also certain time limits under the law for getting a patent application on file after a certain triggering event occurs – most often the sale of a product incorporating the invention or publication of an article describing the invention. The time

limit for filing is generally one year from the triggering event. Many inventors prefer to file provisional patent applications first, which are less formal applications that will not be examined, in order to establish an earlier filing date. The inventor has one year to file a regular utility application claiming the priority filing date of the provisional application. In fact, several provisional applications can be accumulated into the regular utility patent application as long as none of the provisional applications are older than one year and all relate to the same generic invention. Once an application (either utility or provisional) has been filed with the USPTO, the applicant may then claim "patent pending" status of the invention and label the product as "patent pending."

B. Obtaining a Design Patent

A design is the visual, ornamental characteristics embodied in or applied to the article of manufacture, and may relate to the shape, ornamentation, or combination of shape and ornamentation of such an object. A design patent only protects the appearance of the article and not the structural or utilitarian features. Design patents are generally sought for products that already exist but for which the inventor is improving the style or appearance, not the function of the product. Examples of design patents include designer eye glasses, the original Coca-Cola bottle, the Statue of Liberty, and pet rocks.

In general terms, a design patent protects the way an article looks, whereas utility patents protect the way an article is used or works. The appearance that is protected by the design patent may not be a direct result of the function or utility of the article. In other words, if there is only one way that an article that performs a certain function can look, that appearance is not protectable by a design patent. An article may be protected both by a design patent and a utility patent. Certain three-dimensional designs may also be subject to trademark protection. Design patents may not issue for designs that simulate well known or naturally occurring objects or for designs that could be considered offensive to any race, religion, sex, ethnic group, or nationality.

The examination process and determination of priority dates for the purposes of prior art are the same as those described above in the section related to utility patents. Design patents, however, are only valid for 14 years from the issue date. Under present law, no maintenance fees are required to keep a design patent in force for the full term.

A design patent consists of a single claim which is comprised of detailed drawings or photographs of the claimed design. There is no written description or discussion of the elements of the design, as there would be with a utility patent. These drawings have many specific requirements and generally will not be accepted by the USPTO unless they are prepared by a professional patent draftsman who has implemented the necessary technicalities.

In determining whether an article or a design is patentable, and also for determining whether or not an article infringes a design patent, the design is viewed through the eyes of a hypothetical "ordinary observer" who has knowledge of the prior art. Under this analysis, the question is whether the hypothetical ordinary observer would be deceived into thinking that the accused device is the same as the patented design.

The inventor should be aware that, unlike utility patents, in which multiple versions ("embodiments") of the same invention may be claimed through the use of multiple claims in the patent application, design patents may only have a single claim and generally may not claim multiple designs for the same object. Therefore, inventors of design patents should be aware of the potential need to file multiple applications as they develop new designs for similar products.

C. Employers' "Shop Rights" to Employees' Inventions

Under certain circumstances, United States federal courts will permit an employer to have rights to use an employee's invention, if the invention was developed using the employer's time, facilities, or materials. These are called "shop rights," and they give an employer a non-exclusive, non-transferable, royalty-free license to use the employee's invention. Shop rights protect an employer from patent infringement suits based on an employee's patent.

Both employers and employees may best protect interests in patented inventions through written agreements addressing patents and shop rights. Such agreements may be included in a general employment agreement or may be a separate agreement related specifically to intellectual property rights. It is best to seek assistance from a patent attorney to draft, negotiate, and/or review such agreements.

For an employer, having appropriate agreements in place may be preferable to avoid relying on the "shop rights" to protect the employer's interests. Conversely,

employees should be mindful of the terms of their employment agreements to understand fully their rights and obligations.

D. What Now? Making Sure Nobody Infringes Your Patent

Patent owners should be aware of the marketplace and any competitor's products that may incorporate inventions claimed in the patent. If you notice such products, you should first ensure that the patent claims cover the accused infringing product and then consider whether to request or demand that the infringer cease and desist the infringement. Note that you cannot lose a patent by failing to pursue infringers of the patent; but inaction to enforce your rights against accused infringers may provide an accused infringer with defenses in an infringement lawsuit that may limit your recovery options and/or damages in such a lawsuit.

If you want to take steps against a possible infringer, proper preparation is important. Sending a cease and desist request letter may trigger the recipient to file a declaratory judgment lawsuit against you, the patent holder, in a federal court of the accused infringer's choice — a court which might be inconvenient or costly for you. Thus, it is recommended that you consult a patent attorney with litigation experience before attempting to enforce your patent rights against infringers.

The enforcement considerations related to design patents are generally the same as those discussed above for utility patents. However, since design patents only have one claim to the design shown in the drawing, the test for infringement is whether the hypothetical ordinary observer would be deceived into thinking that the accused device is the same as the patented design.

E. Avoiding Infringing Others' Patents

It is often difficult to be 100% certain that your product does not infringe the patents of others. One way to accomplish this is to keep abreast of competitors' patents and/or request a "right to use" search of valid, subsisting U.S. patents. If any patents are identified, the claims of such patents are reviewed to see if they "read on" (in other words, "correspond to") features in the proposed product. If such claims are identified, then the validity of such claims may be assessed as well. (Note that an invalid claim cannot be the basis for a successful patent infringement suit.) As a precaution, some companies and individuals obtain non-infringement/invalidity opinions from their attorneys prior to marketing a product. Such opinions may defend a seller against a

charge of willful infringement should a patent holder successfully prove infringement of their patent by the seller's product. Willful infringement, though often hard to prove, may allow a patentee to recover up to triple damages and attorneys' fees.

There are other alternatives to litigation if you identify patents that may be infringed by your proposed or existing products. One option is to make changes to your product so that it is no longer covered by the patent. Another option is to obtain a license from the patent holder. A license is a contractual document that usually obligates the licensee to pay the patent owner royalties on the sale of each product, although such agreements may be structured in many ways. Other options are also available; for example, you may request that the USPTO "re-examine" an existing patent to determine if it is valid. Because there are numerous options available, it is best to contact a patent attorney for assistance.

F. Online Resources for Further Patent Information

United States Patent and Trademark Office (USPTO): www.uspto.gov

World Intellectual Property Law Organization: www.wipo.org

European Patent Office (EPO): www.epo.org

Japanese Patent Office: www.jpo.go.jp

III. Trademarks

Under U.S. Trademark Law, also known as the Lanham Act (15 U.S.C. 1127), a trademark is "any word, name, symbol, or device, or any combination" of these used in business as an indicator of the source of the goods or services offered to consumers. A service mark is simply a trademark that denotes services offered rather than goods, such as "Massage Envy" for therapeutic massage services or "The University of Texas" for educational services. The definition above also includes logos, phrases, designs, colors, and more. For example:

Trademarks have a dual function: to prevent consumer confusion regarding goods or services they buy and to help companies protect their goodwill. A trademark identifies

	Trademark/Service Mark	Source	Goods or Services Offered
1		Apple Computer, Inc.	Computers, Software
2		Nike, Inc.	Athletic Clothing, Shoes and Accessories
3		Vistaprint, N.V	Business Card Printing Services

the source of the good or service so that consumers can quickly, easily, and confidently identify what they want to buy; and also be assured that the good or service is of a certain quality they've come to expect.

Think of a trademark as a "gift box" full of information and clues about the company offering you the good or service. When you open the gift box, the clues inside point you to the company that made the good/provided the service so that you can be confident you are buying the "real deal." For example, if you open a box and see the following phrase and words, what company do you identify as the source?

"I'm Lovin' It®," "McNuggets®," "The Golden Arches®"

Of course these clues all point to McDonald's, which sells hamburgers and other food items.

Let's look at a literal example: if you receive a gift box with the following symbol on it, what clues or information does that symbol tell you about the gift inside and where it was purchased?

® First, when you see the "LV" trademark you understand the source of the gift box and the goods inside to be the luxury fashion brand, Louis Vuitton. Next, you probably expect to find some kind of expensive, high-quality, leather good inside, such as a purse, wallet, or shoes.

In summary, trademarks ensure that consumers can easily identify and distinguish the source of the good or service, make an informed decision when buying, and be confident that they're receiving an item of a certain quality they've come to expect when buying from that company.

A. Getting Rights in a Trademark

In the United States, rights in a trademark are obtained through commercial use of the mark. Coining a phrase or designing a logo is not enough to secure trademark rights. You must use the phrase or logo on, or in connection with, your product or service. In addition, you must use your trademark in a way that is accepted under the law as trademark use, as distinguished from use as a decoration, design, or description of the product.

You can secure protection for your trademark simply by using the trademark on your product or service and offering that product or service for sale. At that time, you are permitted to place a "™" next to your trademark to denote your claim to the word/phrase as a trademark. If you are only offering your product or service in a single state, and not in "interstate commerce," you may be able to obtain a state trademark registration. Filing a state trademark application in Texas is done through the Secretary of State's office. If you are using, or plan on using, the trademark in more than one state or in interstate commerce, you may be eligible to file a federal trademark

application with the USPTO. Although proof of use of the trademark is eventually required to obtain registration, the USPTO allows you to file an "intent to use" (ITU) trademark application before use has commenced or a "use-based" trademark application if use has already commenced.

To register a federal trademark or service mark you must define the goods or services with which you intend to use the mark. The United States uses an international classification system to categorize all goods and services into particular categories. The USPTO may accept a certain mark for registration, even if it is identical to the mark of another, if the goods or services of both marks are found to be "non-related" by the USPTO.

Remember, filing an application at either the state or federal level does not guarantee a registration. Only if a registration is obtained may you use a "®" next to the trademark. (Note this is in contrast to copyright law - see the Copyright section below). Also, neither a state nor federal trademark registration includes protection of your trademark in foreign countries.

Trademarks are subject to varying degrees of protection. The stronger the mark, the greater protection it will receive. Resist the temptation to select a trademark that describes the goods or services. It can be difficult, if not impossible, to protect a trademark that is merely descriptive. Remember the example of the "JUST DO IT®" trademark? The trademark "JUST DO IT®" does not tell a consumer the product being sold is shoes. The trademark is arbitrary. Only through product branding does a consumer relate JUST DO IT® to athletic shoes. JUST DO IT® is a strong trademark because it does not describe the product or service. If your product is athletic shoes, you could not secure a trademark on "tennis shoes," "shoes," "running shoes," or "athletic shoes," because each of those examples is either the generic name of the product, or describes the product you are offering for sale.

You should also be aware that some items of a non-traditional nature may be subject to trademark protection. These include the shape of a container which holds the goods, a sound, scent, color, the trade dress of a product including packaging, or a restaurant franchise's look and feel. However, some non-traditional trademarks may have to be used for a period of time before they will be considered for registration. The law states that some marks have to acquire distinctiveness (also called "secondary

meaning") in order to be eligible for registration, whereas others are distinctive from the outset and can immediately be registered.

Lastly, if you have to sue someone for infringement of your trademark, the benefits of securing either a state or federal registration are usually superior to claiming rights in an unregistered trademark. The registration process in the United States may be accomplished online. If you want to file trademark applications without the assistance of an attorney, you may do so. However, an attorney may be able to present your mark and your goods and services in a way that maximizes the potential for allowance, or to advise you that the mark you have selected will be difficult to obtain for one or more reasons. If the USPTO Examiner objects to your application, you will need to respond within a fixed period of time (usually six months), or your application will go abandoned.

B. What Now? Making Sure Nobody Infringes your Trademark

As stated previously, trademark rights generally accrue through use. They can be lost by failure to police, that is, by failing to stop others from using the same or confusingly similar marks for the same goods or services. If more than one entity uses the same mark for the same goods, consumers may not be able to distinguish the source of those goods, which is the purpose of a trademark.

If you become aware that someone else has started using an infringing mark ***after*** you adopted your mark, you may need to take prompt action to protect your rights. Even if you have not registered your trademark, there may be options for litigation based upon unfair competition.

There are several ways to watch for infringing trademarks, including keeping a watch on your industry and the marketplace via the Internet, at trade shows, and in publications. Some companies assign watching duties to specific personnel. In addition, you might consider engaging a commercial watching service which generally provides a variety of such services.

Many trademark owners simply want the infringer to stop using the infringing mark. Sometimes this can be negotiated prior to litigation, but this can be tricky and an attorney is recommended to advise you on how best to request that someone "cease and desist" from infringing your mark. If the accused infringer will not stop, you can

file suit in federal district court, and ask the court for an injunction (a court order requiring the other party to stop infringing) and/or damages. In some cases, your attorney may advise asking a court for a temporary restraining order to prevent a party about to enter the marketplace with an infringing mark before the case can be tried.

You might learn of another's use or plans to use an infringing mark by monitoring the USPTO website, where all pending applications are available to the public online. You can oppose registration of another's mark if the USPTO has published that mark for opposition. Publication indicates that the USPTO has approved the mark for registration and is providing the public with an opportunity to oppose registration. An opposition proceeding is conducted through the USPTO's Trademark Trial and Appeal Board (TTAB) and is similar to a litigation in court. However, the only relief available from the TTAB is stopping registration, not stopping use of another's mark. Another proceeding available is the cancellation proceeding, which cancels an existing registration of a mark and is also conducted through the TTAB. Enforcement actions, with few exceptions, require the assistance of an attorney who is familiar with trademarks and litigation. The attorney can analyze the situation and advise you on the best course of action.

C. Avoiding Infringing Others' Trademarks

Adopting a trademark in which someone else has rights can lead to litigation and the need to adopt a new mark, both of which can be expensive. Again, you may be better off engaging an attorney who has expertise in trademarks before proceeding with the use of a mark. However, there are some online resources that can help you get started in choosing a mark. You may want to begin by using a search engine such as Google to see if someone else is already using the same mark for the same or similar goods. You can also search the trademark registration records of the USPTO, available at www.uspto.gov.

Some people confuse acquiring trade names, assumed names, or domain names with trademarks. You may incorrectly assume that if you successfully register an assumed name with the Texas Secretary of State or county that you can use that "name" as a trademark. Alternatively, you might also incorrectly assume that if you register a domain name with one of the domain name registrars that you can use that name as a trademark. This is not true. Registration of a trade name, assumed name, or domain

name only requires that the name is different from that of a previous registrant. Trademarks cannot be registered, though different, if they are likely to cause confusion with a prior registered mark. Thus, whether one trademark infringes another is a more complicated issue.

The Texas Secretary of State offers helpful information on trademarks and answers to some frequently asked questions, such as the difference between acquiring trademark rights and adopting a business name. The link to the website is provided in the section below.

D. Online Resources for Further Trademark Information

United States Patent and Trademark Office (USPTO) - Trademark Basics:
www.uspto.gov/trademarks/basics

USPTO Trademark Trial and Appeal Board:
www.uspto.gov/trademarks/process/appeal

TTABlog - Keeping Tabs on the TTAB:
thettablog.blogspot.com

The International Trademark Association
www.inta.org

Texas Secretary of State
www.sos.state.tx.us/corp/tradefaqs.shtml

IV. Copyrights

Copyrights protect "expression." Copyright law prevents others from copying the unique way you have expressed your thoughts and ideas, but not from using the underlying idea itself. Copyrightable expression can range from highly artistic (such as paintings and sculptures) to practical in nature (like advertisements or websites).

A copyright provides a temporary monopoly over your creation by giving you certain exclusive rights that others cannot legally exercise without your permission. Copyright law protects "original works of authorship fixed in a tangible medium."

This sounds like a mouthful at first, but makes more sense when broken down into parts:

- "Original" means that the creation is not merely a copy of something that already exists.
- "Works" refers to the types of creations that are copyrightable.
- "Authorship" denotes that the creation belongs to you—that you thought of it. You cannot copyright someone else's work.
- "Fixed in a tangible medium" requires the work to be recorded, written down, drawn, or otherwise made capable of being viewed, perceived, or communicated.

A. What Can be Copyrighted?

Copyrights protect the following categories of works:

1) Literary works

Literary works involve the written word, like poetry, novels, letters, diaries, tweets, advertisements, and even software code.

2) Musical works, including any accompanying words

Musical works are the arrangement of notes, chords, and lyrics that make up a song.

3) Dramatic works, including any accompanying music

Dramatic works are generally intended to be performed, like plays or television scripts.

4) Pantomimes and choreographic works

Pantomimes are enactments or imitations of people and situations. Choreography is an arrangement of dance movements.

5) Pictorial, graphic, and sculptural works

This category protects visual arts, including photographs, paintings, drawings, and sculptures.

6) Motion pictures and other audiovisual works

An audiovisual work combines images and accompanying sounds, like a television show or videogame.

7) Sound recordings

A sound recording is the recorded performance of a song, spoken word, or series of sounds by a specific person or group.

8) Architectural works

This category protects the design of a building as seen in blueprints, scale model, or a completed structure.

B. What Cannot be Copyrighted?

Copyright law does not provide protection for:

- Works not yet fixed in a tangible medium
- Works containing no original authorship
- Names, titles, common phrases, or short phrases
- Methods of operation, processes, or systems
- Facts, concepts, principles, discoveries, or ideas
- Symbols, colors, typeface, blank forms
- Functional items or features

C. Who Owns the Copyright?

A copyright owner or holder is the person or company who holds legal rights to a copyright. With few exceptions, a copyright initially belongs to the creator(s) of the work, known as the "author(s)" in copyright speak. An author may keep their copyright or transfer their interest in a copyright to another person or company.

A "Work Made for Hire" is a special situation where the creator of the work does not retain any copyright interest. "Work Made for Hire" arises in an employment situation and (provided certain requirements are met) the employer, not the creator, will be considered the author of the work and, therefore, the copyright owner. For information, see Circular 9: Work Made for Hire under the 1978 Copyright Act available from the U.S. Copyright Office website: www.copyright.gov/circs/.

It is important to note that purchasing a copy of a copyrighted work does not convey ownership of the underlying copyright. Ownership of a copyright can only be transferred through a legal document or inheritance. Sometimes individuals assume that since they have purchased a copyrighted novel/album/computer program/etc.

they are allowed to do whatever they choose with its content. This is untrue. The purchaser can use the work only in a manner that does not violate the exclusive rights of the copyright holder.

D. What Can I Do With a Copyright?

As a copyright holder, you have the exclusive right to exploit your work through specific economic activities. This means only you can legally:

1) Reproduce the Work

Reproduction involves making (digital or physical) copies of the work. The copyright holder can make copies of the work or authorize others to make copies on his or her behalf. Violations of the right of reproduction include burning a copy of a movie to a DVD to give to a friend or illegally downloading a song.

2) Distribute the work

The right of distribution allows the copyright owner to determine when and how to offer copies of the work to the public for initial sale or further exhibition. A violation of the copyright holder's right to distribute can occur, for example, when a motion picture is leaked onto the Internet ahead of its scheduled release date or when an album is made available for download by users of a file-sharing website.

3) Create a derivative work

A derivative work draws its content directly from a copyrighted work, like turning a comic book into a movie or writing the sequel to a popular novel.

4) Publicly perform a song, play, choreography, movie, or audiovisual work

The right of public performance requires an individual to get the copyright holder's permission before playing, reciting, or performing a work in public. "Public" means a "place open to the public or at a place where a substantial number of persons outside of a normal circle of a family and its social acquaintances are gathered," or broadcasting the work over radio and television.

5) Publicly display literary, musical, dramatic, pantomimes, pictorial, graphic, sculptural, and choreographic works

Public display means showing the work to the public in some manner, like exhibiting it in a museum or placing it on the internet.

6) Digitally transmit a sound recording

The digital transmission right requires the copyright holder to be compensated when their work is streamed online or via satellite.

E. What Can't I Do With a Copyright?

Your copyright protects only the exclusive rights listed above. Your copyright cannot stop others from using your work in ways that do not encroach upon your exclusive rights. For example, you cannot prevent someone else from writing a review of your copyrighted novel, film, or album.

The exclusive rights of the copyright owner are limited by a concept known as "Fair Use." Fair use represents the idea that some unpermitted exercises of a copyright owner's exclusive rights provide a benefit to society that outweighs any harm suffered by the owner. A copyright owner cannot prevent an individual from making fair use of their work. Whether an individual's use of a copyrighted work constitutes fair use is determined on a case-by-case basis. However, parody, criticism, news reporting, and teaching are generally considered fair uses. For more information, see *Fact Sheet: FL 102* available at www.copyright.gov/circs.

F. Obtaining a Copyright

You don't need to do much to gain copyright protection. Copyright protection exists as soon as your "original work of authorship" is "fixed in a tangible medium." Basically, you have protection from the moment you put your original, copyrightable subject matter into a permanent form (drawn, written down, recorded, made into a digital file, etc.).

Although not necessary for copyright protection, registering your copyright with The U.S. Copyright Office provides additional legal benefits including:

1) Registration is a prerequisite to bringing an infringement lawsuit;
2) The option to recover certain compensation provided by statute;
3) The ability to seek attorneys' fees if you win a copyright infringement case;
4) After five years, registration serves as conclusive proof that your copyright is valid;
5) The option to record your registration with U.S. Customs to protect against importation of unauthorized copies of your work.

You can register a work any time after it is created, even years later. However, to receive statutory damages or attorneys' fees, registration must occur before the work is infringed or within three months of making the work available to the public for sale/view.

Registration is a fairly simple process. You may register entirely online, download blank registration forms, or request blank forms be sent to you by mail. The cost of registration depends on which method you choose, with online registration being both the quickest and least expensive. Registration forms and tutorials outlining the online registration process are available at the U.S. Copyright Office Website (www.copyright.gov).

G. How Long Does A Copyright Last?

For works created on or after January 1, 1978:

- An author has protection for the remainder of the author's life plus an additional 70 years after his or her passing.
- Where there are multiple authors (known as joint authorship), copyright protection extends 70 years after the passing of the last surviving author.
- An anonymous work (the author is not identified), a pseudonymous work (the author is using a pen name), or a work made for hire is protected for the lesser of 95 years from publication or 120 years from the date of creation.

Works created before January 1, 1978 are governed by a previous version of the Copyright Act. The prior version of the Copyright Act set strict requirements for gaining and maintaining protection and provides different durations of copyright protection. You should consult a lawyer if you have questions about a work created before January 1, 1978.

After protection expires, the work becomes part of the public domain in the Unites States (though it may still be copyrighted in other countries). The term "public domain" refers to all previously copyrighted works that can now be freely reproduced, distributed, displayed, performed, or made into derivative works.

H. What Now? Making Sure Nobody Infringes Your Copyright

Unauthorized exercise of the copyright holder's exclusive legal rights is called copyright infringement. Unfortunately, the law does not provide a mechanism for

preventing infringement before it occurs. This means that you have to wait until your exclusive rights have been infringed to seek redress or compensation.

If you discover that your work has been impermissibly used, consider contacting a lawyer. The first step will likely involve contacting the infringer to demand that he or she stops using your work. Should the use persist, you may seek a temporary legal order requiring an individual to stop using your work. Eventually you may initiate a copyright infringement suit to permanently prevent any further unpermitted use of the particular work and to be compensated for the infringement.

I. Avoiding Infringing Others' Copyrights

The penalties for copyright infringement can be severe and it is best to avoid infringement altogether. A surefire way to do so is to use content only that you have created yourself or have obtained the copyright owner's written permission to use.

Written permission from the copyright owner is known as a license. At a minimum, a license should: include the names and signatures of both parties to the agreement, identify the copyrighted work to be licensed, and describe in what manner you can use the copyright owner's work.

J. Online Resources for Further Copyright Information

The U.S. Copyright Office's website provides information about copyrights, including copyright law basics, how to register a copyright, and a searchable catalog of registered works. See www.copyright.gov.

K. Frequently Asked Questions About Copyrights

1. I'm working on a novel/painting/sculpture/etc. Do I have to finish it before I can get copyright protection?

No. Each draft or version is treated as its own copyrighted work and remains protected regardless of whether the final version is ever completed.

2. Does copyright protect my website?

Yes. Any original text, photos, sounds, etc. that appear on your website are protected. If you choose to register the copyright in your website, you may need to register each updated version. For more information, see *Circular 66: Copyright*

Registration for Online Works available at the U.S. Copyright Office's website: www.copyright.gov/circs.

3. I've heard that if I mail my novel/music/photos/etc. to myself it is the same as registering my work. Is that true?

No. Mailing work to yourself (sometimes called the "Poor Man's Copyright") has no legal effect on copyright protection and does not confer any of the benefits of registering your work with the U.S. Copyright Office.

5. Does copyright protect clothing I designed? What about jewelry?

Currently, there is no copyright protection for clothing designs. This means you cannot bring a copyright infringement suit against another designer who makes the same or a nearly identical piece of clothing. With copyright protection unavailable, fashion designers rely heavily upon trademarks to distinguish their products from the competition and to prevent imitation.

Jewelry designs, on the other hand, are copyrightable. Copyright protection does not extend to any utilitarian or functional aspects of the design, like a clasp or an earring post. However, artistic and design elements that can be visualized as separate from the functional elements will be protected. For registration purposes, jewelry is considered visual art under the category of "Pictorial, Graphic, and Sculptural" works. For more information, see *Circular 40: Copyright Registration for Works of the Visual Arts* available from the U.S. Copyright office: www.copyright.gov/circs.

6. Does the law require me to provide notice to others that my material is copyrighted?

No. U.S. law no longer requires copyright holders to provide notice. Failure to provide notice on works published on or after March 1, 1989 will not result in loss of copyright protection. There are, however, advantages to providing notice of copyright. If notice is provided and your work is infringed the court will not give weight to an infringer's claim that he did not realize the work was protected (the defense of "innocent infringement"). For more information about copyright notice, see www.copyright.gov/circs/circ03.pdf.

A copyright owner, at the moment the work is fixed in a tangible medium, and without having to obtain registration of the copyright, may apply a notice such as: ©, the year, and the owner's name. For example: © 2012, John B. Smith.

V. Trade Secrets

Trade secrets consist of any information "not generally known or reasonably ascertainable" that confers an "economic advantage" over competitors. The information may include any valuable formula, pattern, compilation, program device, method, technique, or process that is kept secret from competitors, customers, or the general public. Common examples of trade secrets include the Coca-Cola recipe and the algorithm used in Google's search engine. Other examples include a company's marketing strategy, product development plan, pricing information, or customer lists.

Unlike patents, trademarks, and copyrights, trade secrets are not registered with the government and protection may be lost if the underlying information is disclosed. For example, if a company were to reveal accidentally its previously secret pricing strategy on its homepage, the strategy may no longer qualify for trade secret protection. Likewise, protection may be lost if the information is independently ascertained. If a competitor is able to discern the secret ingredient of a recipe through chemical tests, then the recipe may no longer qualify for trade secret protection. Similarly, trade secret protection may be lost if a competitor develops a product similar to yours through independent research and development.

Because trade secret protection is tied to secrecy, information may qualify as a trade secret indefinitely so long as it is economically valuable, unknown, and not reasonably ascertainable. Contrast this with patents, where protection lasts for a limited duration (20 years from filing) and requires full disclosure of the information needed to practice the invention.

A. Protecting Trade Secrets

Unlike other forms of intellectual property, trade secrets are primarily protected under state law instead of federal law. While most states have adopted some version of the Uniform Trade Secrets Act, protections may vary from state to state. Federal protection is available in some circumstances under the Economic Espionage Act (18 U.S.C. 1831-32), which criminalizes the theft of trade secrets for commercial or economic purposes, as well as theft to benefit foreign powers.

A trade secret holder generally has the right to enjoy the economic fruits of the protected information as long as it is kept secret. Therefore, a company must take

reasonable precautions to protect information. The types and intensity of what constitutes "reasonable precautions" vary with the circumstances. Common measures include keeping confidential information in password protected servers, limiting how many employees know the information within the company, requiring those trusted with the information to sign non-disclosure agreements, and establishing diligently-enforced procedures for protecting company secrets.

B. What Now? Making Sure Nobody Misappropriates Your Trade Secret

If someone wrongfully acquires confidential information, then he is said to have *misappropriated* it. In many cases, disclosure is wrongful because one may be under an explicit or implied duty not to disclose the information. This is often the case with former employees sharing business secrets with a new employer. In other cases, deception is employed to misappropriate valuable confidential information. Wrongdoing may also stem from outright spying, hacking, stealing, or bribing. Just like determining what precautions are reasonable, the specific circumstances of the situation dictate whether confidential information was wrongfully acquired.

Civil remedies may be available in cases where trade secrets are misappropriated. The trade secret holder may seek a court injunction prohibiting the wrongdoer from further disclosing and using the information. In addition, a trade secret holder may sue for monetary relief to compensate him or her for economic damages suffered by having the trade secret misappropriated. The value of trade secrets may be so high as to result in judgments for billions of dollars. In more extreme cases, criminal charges may be brought for trade secret theft.

The fundamental elements for a trade secret claim include: (1) the information constitutes *eligible subject matter* to be a trade secret, (2) the plaintiff took reasonable precautions under the circumstances to prevent disclosure, and (3) the defendant *misappropriated* the information. Case law interpreting these essential elements is nuanced and fact intensive, so an experienced legal professional is often required to judge the merits of a claim.

C. Avoiding Misappropriating Others' Trade Secrets

A trade secret holder does not enjoy exclusive rights to the information like a patent holder may. Therefore, valuable information held by others is not necessarily off limits. However, caution is advised when seeking to obtain such information.

Generally speaking, if the information can be acquired through independent development, reverse engineering, or some other form of independent means, then it is fair game. However, if trickery, deception, or worse is used to obtain the information, such actions may constitute misappropriation in the eyes of the law. Again, there is no single, clear threshold defining the boundary between rightful acquisition and misappropriation.

When recruiting, be sure to understand the scope of any confidentiality agreement the potential employee has with his or her former employer. In addition, caution the potential employee that he or she may have a duty to their former employer with respect to keeping certain information secret.

It is also recommended that a company implement clear confidentiality policies for dealing with the confidential information of others. Keep one company's product samples, plans, and other documentation separate from those of other companies. Ensure that your employees are well versed in the importance of maintaining confidentiality of information they learn from clients, partners, vendors, and other business relationships. Don't be the person who is trusted with confidential information and for whatever reason, however innocent, makes that information available to a competitor. Periodic reminders and training sessions are helpful for instilling these policies in company culture.

D. Online Resources for Further Trade Secret Information

Uniform Trade Secrets Act:
www.law.upenn.edu/bll/archives/ulc/fnact99/1980s/utsa85.pdf

Trade Secrets Resources:
library.findlaw.com/intellectual-property/trade-secrets/

Seventeen Steps You Should Take To Protect Your Company's Trade Secrets:
library.findlaw.com/1999/Nov/1/127332.html

Ten Strategies for Trade Secret Protection:
library.findlaw.com/1998/Jun/1/127422.html

Trade Secrets: A Valuable and Often Overlooked Asset:
www.ipwatchdog.com/2011/01/14/trade-secrets-valuable-overlooked-asset/id=14411

VI. Conclusion

Awareness of intellectual property law is important for the public because it can impact individuals and nearly all businesses, small and large. Individuals and businesses who create or invent may need to take action so that their creations or inventions are protected by the law.

Please note that this handbook is intended to provide general information about intellectual property law, not legal advice. Because the laws discussed may be changed by Congress, and regulations changed by the USPTO, you should consult an attorney in order to obtain any legal opinions about the subject matter discussed in this booklet. The authors of the booklet have provided their own current views and not the views of their firms, employers, or any current or past clients. Hopefully the handbook will be of assistance to you in discussing protection of your intellectual property with your attorney.