

ISB – Employment & Labor Law Section CLE

INTELLECTUAL PROPERTY ISSUES IN EMPLOYMENT & LABOR LAW

April 27, 2016

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Forms of Intellectual Property

- **Patents**
 - Excluding others from making, using, selling, or importing your **inventions**, **ornamental designs**, and **plants**.
- **Trademarks**
 - Developing recognition for **goods** and **services** with consumers.
- **Copyrights**
 - Protecting **creative content**.
- **Trade Secrets**
 - Keeping **economically valuable** trade information **confidential**.

Life of a patent

- **File** application at USPTO
 - Draft an application, drawings, claims
- Patent Pending
 - **Examination**
 - Rejection and Appeal
 - Allowance
 - Creates a **File History**
 - ~26.7 months
- Post **Issuance**
 - Licensing
 - **Litigation** (Enforcement)
- **Expiration**
 - 20 years from filing date
 - Public Domain



U.S. Patent & Trademark Office
Alexandria, VA

www.uspto.gov

Life of a trademark

- **File** application at USPTO
 - Fill out a form, submit specimen
- Registration Pending
 - **Examination**
 - Use TM or SM
 - Refusal and Appeal
 - Published for opposition
 - Allowance ®
- Post **Issuance**
 - Licensing
 - **Litigation** (Enforcement)
- **Expiration**
 - Can stay registered as long as still used in commerce (can't just hold them) and maintenance fees paid



U.S. Patent & Trademark Office
Alexandria, VA

www.uspto.gov

Life of a copyright

- **File** application at copyright office (Library of Congress)
 - Fill out a form, submit a deposit (copy of the work)
- Registration period
 - **No Examination**
 - Registered upon receipt
- Post **Issuance**
 - Licensing
 - **Litigation** (Enforcement)
- **Expiration**
 - Life of the author + 70 years
 - If “work for hire” shorter of
 - 95 years from publication, or
 - 120 years from creation
 - Depends on before or after Jan. 1, 1978 creation
 - End of term = public domain

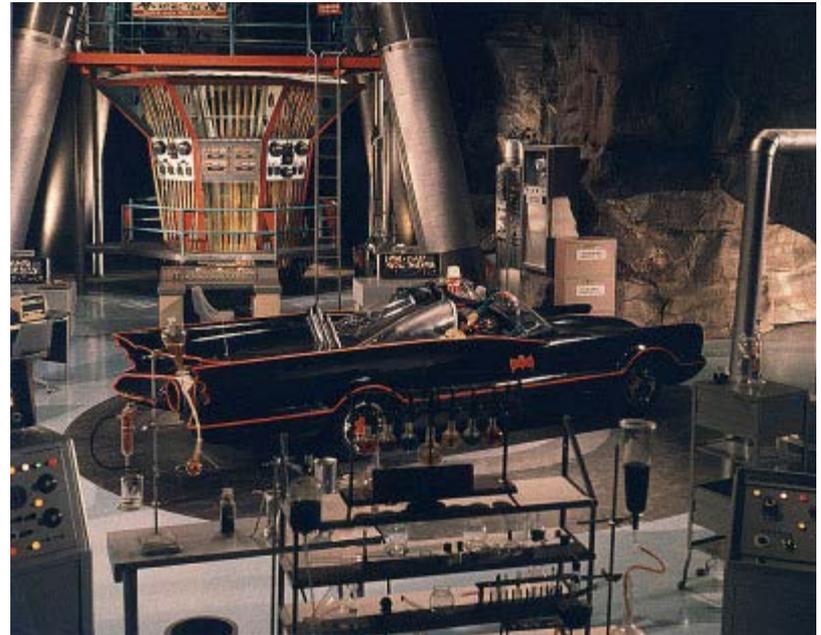


U.S. Copyright Office
Library of Congress
Washington, D.C.

www.copyright.gov

Life of a trade secret

- **File** application at the trade secret office.
- **Just kidding**
- Not filed anywhere – put it in a vault
- Must take steps to keep the **secret**
 - NDA
 - Employee secrecy obligations
 - Limit access
- **Expiration**
 - As long as you can keep it a secret
 - Competitors can “reverse engineer” if they are able to



U.S. Trade Secret Office
Somewhere outside Gotham City

What is a trade secret?

- Information not **generally known or readily ascertainable**,

conferring **economic benefit** on holder, and

secrecy protected by reasonable efforts.

- Uniform Trade Secrets Act § 1(4).

- 18 U.S.C. § 1832 – Theft of trade secrets
 - up to 10 yrs in jail or \$5M in fines
- Idaho Trade Secret Statue (48 § 801-807)

<http://www.legislature.idaho.gov/idstat/Title48/T48CH8.htm>



Trade Secret Examples



What is a copyright?

- Protects the rights of a **creator** of an **original work** that has been fixed in a **tangible form** of expression
- Gives owner exclusive rights
 - reproduce, prepare derivative works, distribute copies, perform/display.
- Term:
 - Life of author + **70 years**,
 - or**
 - **Mickey Mouse Rule**
 - work made for hire, the copyright endures for a term of **95 years** from the year of its first publication or a term of **120 years from the year of its creation**, whichever expires first.



What rights do you get?

- **Exclusive** Rights
 - Copy/Reproduce
 - Distribute
 - Publically Perform
 - Publically Display
 - Adapt/Create Derivative Works

What is a trademark?

- Any **word, name, symbol, or device**, or **any combination** thereof, used by a person to **identify** and distinguish his or her **goods, or services**, from those of others
- Term:
 - **Perpetual** with continued use.



TRADEMARKS

- Why register your trademark?
 - Puts others on notice
 - Prerequisite to lawsuit in U.S. District Court
 - Statutory **Damages**
 - Attorney's **Fees**
 - **Incontestable** after five years

What is a patent?

- A property right – to **exclude** others
- from making, using, selling, offering for sale, or importing the claimed invention **in the United States**



US005644170A

United States Patent [19] [11] **Patent Number:** **5,644,170**
Bynum et al. [45] **Date of Patent:** **Jul. 1, 1997**

[54] **VEHICLE MOUNTED ATMOSPHERIC/
AQUA TURBINE HAVING SPEED
RESPONSIVE INTAKE MEANS** 3,374,849 3/1968 Redman 180/2.2
3,444,946 5/1969 Waterbury 180/2.2
3,556,239 1/1971 Spahn 180/65.2
4,229,661 10/1980 Mead et al. 290/44

[76] **Inventors:** **David A. Bynum**, 247 Vine St., Keller,
Tex. 76244; **Johnnie J. Bynum**, 7314
Bridges Ave., Ft. Worth, Tex. 76118

[21] **Appl. No.:** **390,072**

[22] **Filed:** **Feb. 17, 1995**

[51] **Int. Cl.⁶** **F03B 13/10**; F03D 9/00

[52] **U.S. Cl.** **290/43**; 290/44; 290/54;
290/55

[58] **Field of Search** 290/43, 44, 54,
290/55

[56] **References Cited**
U.S. PATENT DOCUMENTS

Primary Examiner—Steven L. Stephan
Assistant Examiner—Christopher Cuneo

[57] **ABSTRACT**

The Atmospheric/Aqua Turbine is an apparatus for producing energy by allowing air or water to be metered by controls through an adjustable air or water scoop into twin turbines to produce electricity when the atmospheric/Aqua Turbine is installed on vehicle or a boat and the vehicle is travelling at 30 mph or more or in the case of the boat the boat is travelling at 8 to 10 mph or more.

What is patentable?

- A patent may be granted to anyone who **invents** or **discovers** any **new and useful** and **non-obvious**
 - process,
 - machine,
 - article of manufacture, or
 - composition of matter, or
 - any new and useful improvement thereof.
- any **new**, **original** and **ornamental** design for an article of manufacture
- **asexually reproduces** any **distinct** and **new** variety of plant

What is patentable?

United States Patent [19]
Hatfield

[11] Patent Number: **Des. 307,210**

[45] Date of Patent: **** Apr. 17, 1990**

[54] **UPPER FOR A SHOE**

[75] Inventor: **Tinker L. Hatfield, Portland, Oreg.**

[73] Assignees: **Nike, Inc.; Nike International Ltd.,
 both of Beaverton, Oreg.**

[**] Term: **14 Years**

[21] Appl. No.: **373,487**

[22] Filed: **Jun. 30, 1989**

[52] U.S. Cl. **D2/314**

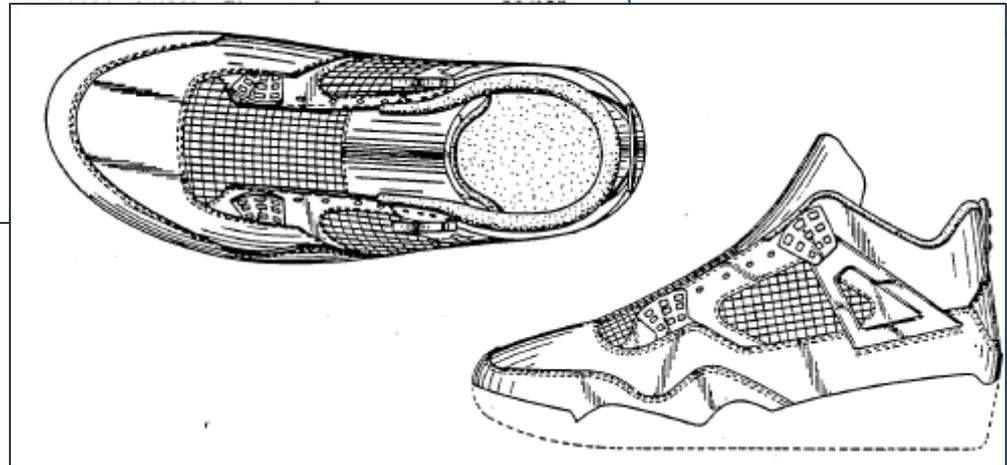
[58] Field of Search **D2/264, 265, 268, 269,
 D2/271, 272, 274, 308-314; 36/11, 45, 83, 84,
 89, 102-106, 112-116, 131, 132, 136**

[56] **References Cited**

U.S. PATENT DOCUMENTS

D. 86,759 4/1932 Bancroft D2/288

1,947,183	2/1934	Bodle .	
1,949,159	2/1934	Glidden et al.	428/198 X
1,949,318	2/1934	Markowsky	36/313
2,034,091	3/1936	Dunbar	36/45 X
3,484,881	12/1969	Krieger	36/45 X
3,698,107	10/1972	Fukuoka	36/11.5
4,190,971	3/1980	Wren, Jr. et al.	36/106
4,222,183	9/1980	Haddox	36/114
4,258,480	3/1981	Famolare, Jr.	36/91



What is patentable?

United States Patent [19]
Warriner

[11] **Patent Number:** **Plant 7,542**
 [45] **Date of Patent:** **Jun. 4, 1991**

[54] **ROSE PLANT BARBARA BUSH**

[75] **Inventor:** William A. Warriner, Tustin, Calif.

[73] **Assignee:** Bear Creek Gardens, Inc., Medford, Oreg.

[21] **Appl. No.:** 568,661

[22] **Filed:** Aug. 20, 1990

[51] **Int. Cl.³** A01H 5/00

[52] **U.S. Cl.** Plt./18

[58] **Field of Search** Plt./18, 11, 19

References Cited

U.S. PATENT DOCUMENTS

P.P. 2,053 4/1961 Dean Plt. 11
 P.P. 3,431 1/1974 Warriner Plt. 11

P.P. 3,997 12/1976 Warriner Plt. 11
 P.P. 4,440 7/1979 Delbard Plt. 18
 P.P. 4,707 5/1981 Swim et al. Plt. 18
 P.P. 6,599 2/1989 Ohkawra Plt. 18
 P.P. 7,129 1/1990 Warriner Plt. 18

Primary Examiner—James R. Feyrer
Attorney, Agent, or Firm—Klarquist, Sparkman,
 Campbell, Leigh & Whinston

[57] **ABSTRACT**

Hybrid tea rose characterized by excellent exhibition flower form, very vigorous upright growth habit, high garden flower production, photosensitivity in the flowers, sepals, receptacles and peduncles, and a light fruity fragrance.

1 Drawing Sheet



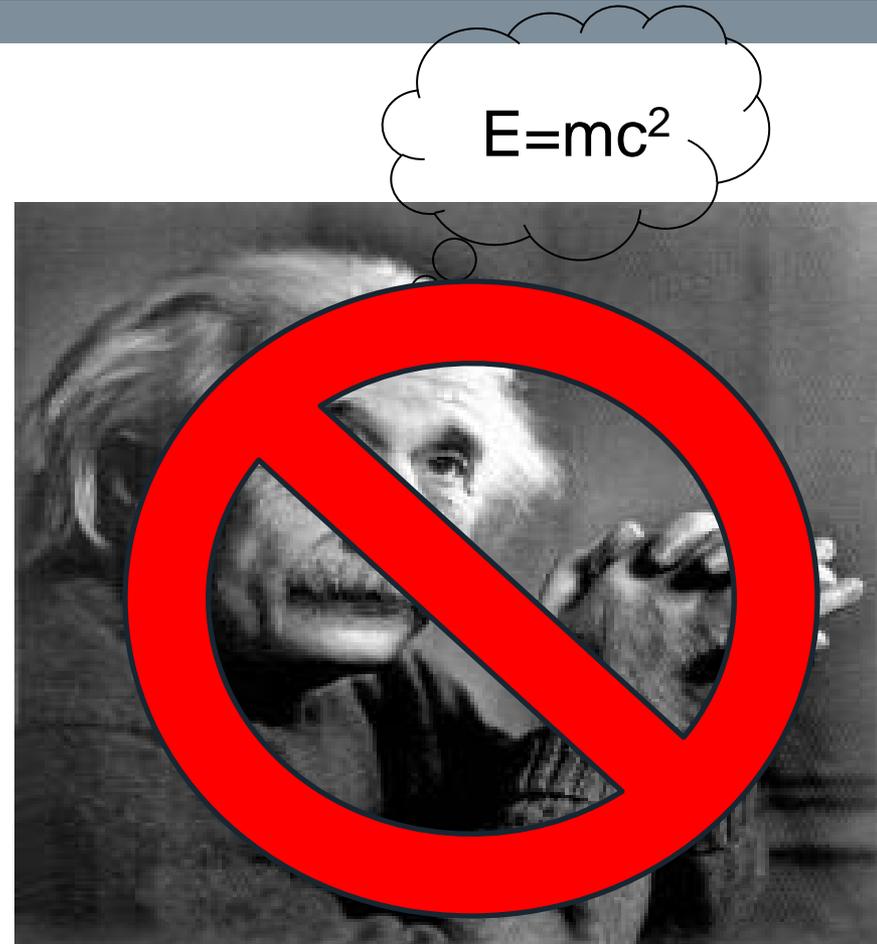
What is patentable?

- Living things?
 - Yes if **genetically modified**
 - *Diamond v. Chakrabarty*
447 U.S. 303 (1980)



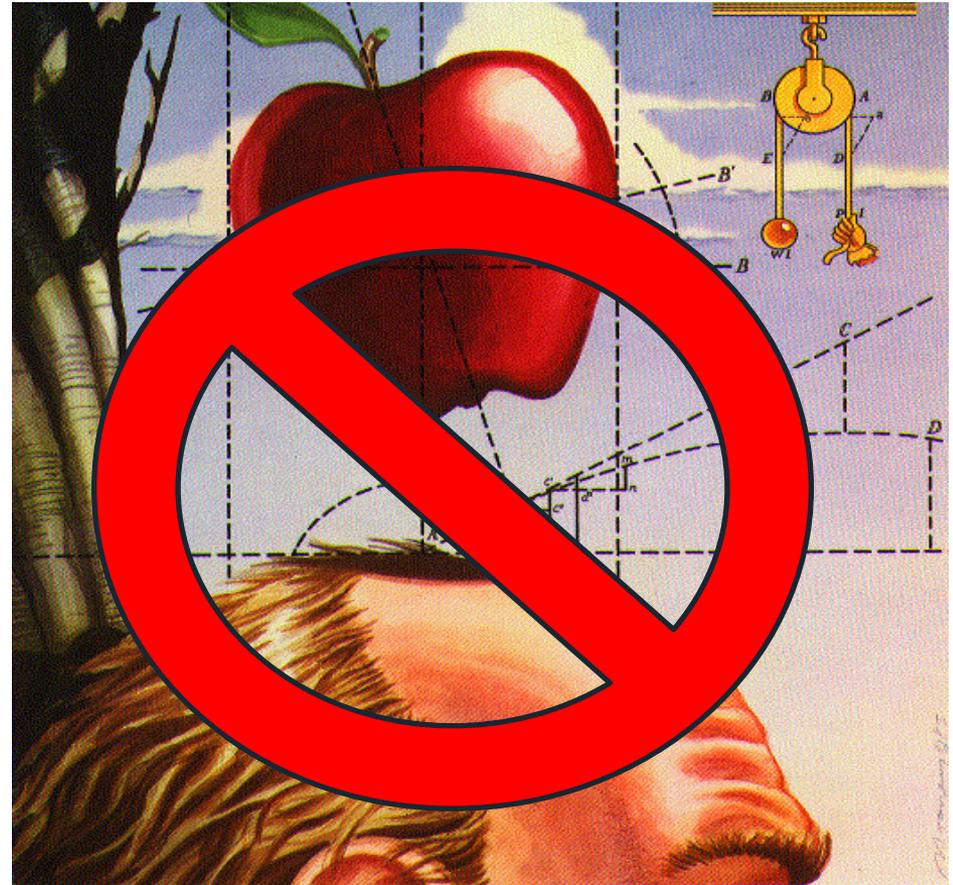
What is not patentable?

- Scientific theories or principles



What is not patentable?

- Laws of nature – natural phenomena



What is not patentable?

- Abstract ideas



What about software?

Is it just an “abstract idea”
and a **generic computer**



Alice Corp. v. CLS Bank International, 573
U.S. ___, 134 S. Ct. 2347 (2014)

Is the claimed solution
necessarily rooted in computer
technology to overcome a
problem specifically arising in
the realm of computers?

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*DDR Holdings, LLC v. Hotels.com,
L.P.*, 773 F.3d 1245 (Fed. Cir. 2014)

IP Issues in Employment Law

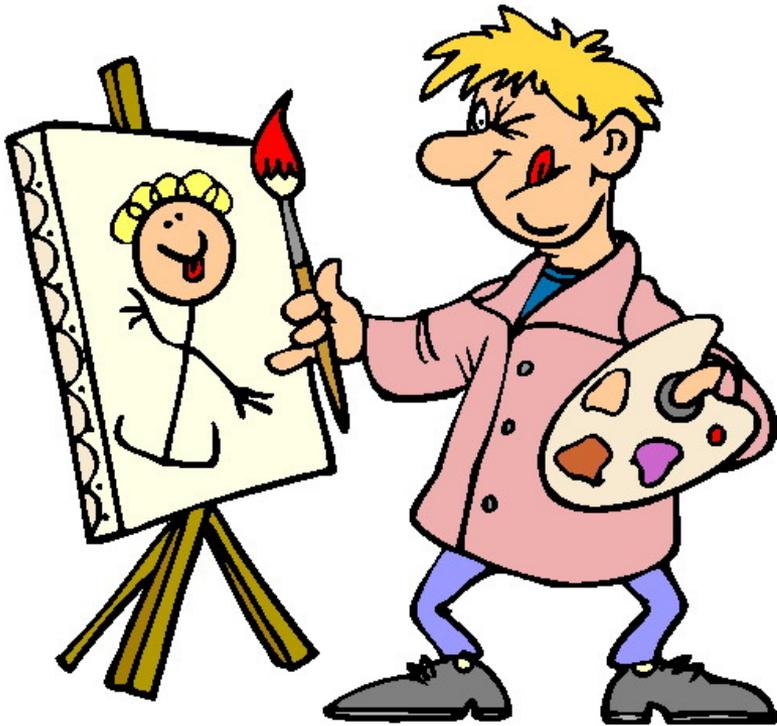
- Primarily in Employee agreements
- Independent Contractor agreements
 - Works for hire
- Misappropriation of IP
- Exit interviews for Employees

Default Rules - Patents



- Patent filed prior to 2012
 - Inventor owned
 - Employer may have a shop right if invented on Employers dime
- After 2012 – “Applicant” owns
 - Still need inventor cooperation
- Independent Contractor still owns absent agreement

Default Rules - Copyright



- Employer owns if work is part of employee's "scope of employment"
 - Hired as graphic artist – designs owned by Employer, but romance novel written at home is not
- Independent contractor owns own work, even if paid for, absent agreement that work is "work made for hire"

Default Rules - Trademark



- “Applicant” owns
 - Typically Employer
 - used to associate source of goods/services

“You’ll have to answer to the Coca Cola Company”

Default Rules – Trade Secret



- Typically Employer owns
 - Has obligation to keep secret
- Governed by state law
 - ID 48 § 801-807

Avoid the Default Rules by Agreement

- State law will govern
 - Construction of terms of agreement
 - Formation of contract
 - Etc.

Timing Can Matter

- Pre-employment
 - Typically best approach for consideration purposes
 - Specify in Agreement that “but for execution of IP agreement, employee would not be hired”
- Post-employment
 - Some states may require additional consideration beyond continued employment
 - Incentive/bonus plan for inventions

Timing Can Matter

- **Pre-invention**
 - Should be in writing
 - Should not be overbroad in time or scope
 - May be controlled by state statute
 - CA, DE, IL, KS, MN, NC, UT, WA
 - Generally, should not cover inventions made by employee on own time with own resources
 - *Unless* in same field as employment
- **Post-invention (and no prior agreement)**
 - Relevant to Employer
 - Treat as Independent contractor
 - May require additional consideration beyond continued employment
 - Clearly specify all aspects of IP and duties
 - Be content with “shop right” to use

Other best practices

- Should specify things invented/created prior to employment



Other best practices

- Should have requirement for employee to cooperate post-employment
 - Sign additional documents
 - Cooperate in enforcement actions
 - Typically on Employer's dime
 - Obligation to preserve records
 - Leave with Employer on separation



Other best practices

- Should have enforcement teeth
 - Parties agree that injunctive relief is required
 - Recover fees



Other best practices

- May want to ask employees to periodically (annually) update list of employee's own IP



Independent Contractors

- More of an “arm’s length” license agreement
- Execute *before* work is done
- Carve out explicit rights and obligations from the bundle
 - Make, use, enforce, derivatives, performance, etc.

Examples

- *Preston v. Marathon Oil Co.*, 684 F.3d 1276 (Fed. Cir. 2012)
 - “Intellectual Property” means all inventions, discoveries, developments, writings, computer programs and related documentation, designs, ideas, and any other work product made or conceived by EMPLOYEE during the term of employment with MARATHON which (1) relate to the present or reasonably anticipated business of the MARATHON GROUP, or (2) were made or created with the use of Confidential Information or any equipment, supplies, or facilities of the MARATHON GROUP. Such property made or conceived by EMPLOYEE (or for which EMPLOYEE files a patent or copyright application) within one year after termination of employment with MARATHON will be presumed to have been made or conceived during such employment.

Examples

- *Preston*
 - EMPLOYEE agrees to promptly disclose to MARATHON and does hereby assign to MARATHON all Intellectual Property, and EMPLOYEE agrees to execute such other documents as MARATHON may request in order to effectuate such assignment.

Examples

- *Preston*
 - Below is a list and brief description of all of EMPLOYEE'S unpatented inventions and unpublished writings. MARATHON agrees that such inventions and writings are NOT Intellectual Property and are NOT the property of MARATHON hereunder. If no listing is made, EMPLOYEE has no such inventions or properties.

Examples

- Exxon Mobil
 - **Work Products.** The Company will own the products of work related to the business of the Company or its affiliates that I perform while I am an employee. Such work products include all intellectual property that I develop, alone or jointly with others. For example but not by way of limitation, the Company will own the following work products that I develop, alone or jointly with others, while I am employed by the Company, and that relate to the business of the Company or its affiliates: (a) all papers, reports, charts, drawings, data bases, computer files, software, models and other tangible materials; (b) the copyrights in all original works of authorship; and (c) all inventions and discoveries, whether patentable or not, that I conceive or reduce to practice. The Company will own the work products described above regardless of whether I develop them during or outside of regular working hours, or on or off Company premises. However, the Company will not own my personal writings, inventions, and discoveries that are not related to the business of the Company or its affiliates.

Lawyer stuff

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Questions?

- Thanks!
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