Introduction to Intellectual Property Law for Business Lawyers

IDAHO STATE BAR BUSINESS & CORPORATE LAW SECTION

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Goals

1. Identify IP
2. Protect IP
3. Enforce IP
# FORMS OF INTELLECTUAL PROPERTY

<table>
<thead>
<tr>
<th>Form</th>
<th>Protection</th>
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<tbody>
<tr>
<td>Patents</td>
<td>Protect inventions from unauthorized use. Provides right to exclude others.</td>
</tr>
<tr>
<td>Trade Secrets</td>
<td>Protect commercially valuable secrets.</td>
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<tr>
<td>Copyrights</td>
<td>Protect creative content from copying and unauthorized use.</td>
</tr>
<tr>
<td>Trademarks</td>
<td>Protect established goodwill between a producer and consumers.</td>
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PATENTS
What is patentable?

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

Distinct and new varieties of plants
Useful?
Useful?
What is not patentable?

1. Scientific theories or principles
2. Laws of nature – natural phenomena
3. Abstract ideas
What about software?

**IS IT JUST AN “ABSTRACT IDEA” AND A GENERIC COMPUTER**

**IS THE CLAIMED SOLUTION NECESSARILY ROOTED IN COMPUTER TECHNOLOGY TO OVERCOME A PROBLEM SPECIFICALLY ARISING IN THE REALM OF COMPUTERS?**

_Alice Corp. v. CLS Bank International_, 573 U.S. __, 134 S. Ct. 2347 (2014)

_DDR Holdings, LLC v. Hotels.com, L.P.,_ 773 F.3d 1245 (Fed. Cir. 2014)
Utility Patents
Design patents

Protect ornamental designs

Protect the “look” of the object

Doesn’t protect function
Average Cost Expectations

Original Utility Patent Application
- Minimal Complexity: $7,000
- Relatively Complex: $9,000 – $10,500 (depending on technology)

Patent Application Amendment/Argument
- Minimal Complexity: $1,800
- Relatively Complex: $2,000 – $3,000 (depending on technology)

Source: 2015 AIPLA Economic Survey
Trade Secrets
Characteristics of Trade Secret

- Not generally known or readily ascertainable
- Secrecy protected by reasonable efforts
- Provides economic benefit to owner
# Trade Secrets – Pros and Cons

## ADVANTAGES
- Last (potentially) forever
- Cost savings?
- Immediate rights
- No agency review
- Can cover “abstract ideas”

## DISADVANTAGES
- Reverse engineering
- Vulnerable to theft
- Immediate loss of rights
- Must keep secrets
- No agency review
Trademarks
What is a Trademark?
Criteria for Choosing a Trademark

- Arbitrary or fanciful (Apple, Xerox, Kodak)
- Suggestive (Roach Motel)
- Descriptive (Pay-n-Park)
- Generic Terms (Chocolate, Thermos)
Trademark Use and Registration

TM ®
© SM
Copyright
What is a Copyright?

**Protects What?**
- The rights of a creator of an *original* work that has been fixed in a tangible form of expression

**Scope?**
- Exclusive rights to: reproduce, prepare derivative works, distribute copies, perform/display

**How Long?**
- Author’s life plus 70 years
What Works are Protected?

- Literary works
- Musical works and sound recordings
- Dramatic works
- Pantomimes and choreographic works
- Pictorial, graphic, and sculptural works
- Motion pictures and other audiovisual works
- Architectural works
- Face tattoos
Acquiring Copyrights

Requirements
• Originality
• Authorship
• Fixation
• Expression

Formalities
◦ Notice
◦ Registration
Considerations for Business Lawyers
Identifying Intellectual Property – The IP Audit

<table>
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<tr>
<th>Patents/Trade Secret</th>
<th>Equipment, Processes, Formulas, etc.</th>
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<tbody>
<tr>
<td>Trademark</td>
<td>Names, logos, designs, websites, trade dress, etc.</td>
</tr>
<tr>
<td>Copyright</td>
<td>Photographs, webpage layout, manuals, marketing materials, etc.</td>
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Protecting Intellectual Property

Developing an Intellectual Property Plan/Strategy

• Recognizing IP as an asset
• Budgeting
• Registration?
• Limiting access
• Dealing with infringement
Protecting IP - Trade Secrets

- NDAs
- Employee confidentiality agreements
- Secure networks and storage
- Confidential info handling and storage policies
- Limiting disclosure

"You spelled ‘confidential’ wrong."
Protecting IP – Employment

1. Internal/Compliance
   a. Ownership and works for hire
   b. Access
   c. Hiring & firing

2. Registration
Enforcing IP

License Agreements

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Questions