



Protecting What's Yours: How Intellectual Property Law Can Help

Disclaimer: This presentation is informational and does not substitute for proper legal advice.

Just as a reminder:

- This is an introduction to legal issues that commonly affect our clients
- This is not a substitute for working with a lawyer or coming directly to us with your issues, which we recommended

Workshop Agenda

Introduction to IP

Protecting IP

Copyright

Trade Secrets

Trademarks

Patents

IP by Contract

Why Protect it?

The purpose of IP law is to:

1. Encourage artists/inventors to create and share works;
2. Enable commercialization - IP can be valued and protected like other business assets; and
3. Foster public benefit and promote societal advancement

Types of IP

IP law is divided into **5 separate areas** that are enforced under state or federal law:

- Copyright
- Trade Secrets
- Patents
- Trademarks
- Contractual IP

Each type differs as to what is protected and how protection is obtained.



Copyright

What is Copyright?

- **Protects:** original works of authorship.
 - E.g. art music, books, movies, software, architectural drawings, advertisements, etc.
- **Does Not Protect:** facts or ideas.
 - EXAMPLE: I have an idea to write a novel about star-crossed lovers.
- **Limits / Exceptions**
 - Fair use doctrine (e.g., parody)

Copyright Owners Get Exclusive Rights:

- to reproduce copies of the work;
- to develop derivative works;
- to distribute copies of the work;
- to perform the work publicly;
- to display the work publicly.

How Can I Get © Protection?

- AUTOMATICALLY, once fixed in a “tangible medium of expression.”
- Must register with the U.S. Copyright Office in order to sue to enforce your copyright:
 - www.copyright.gov
- Statutory damages may be available if registered from the outset (gives notice to public).

Duration / Scope of Protection:

- **Protection begins:** when you create it
- **Individual creators:** life of the creator + 70 years.
- **Work made for hire:** 95 years from the year of publication of the work, or 120 years from the year of creation, whichever occurs first.
- **International:** Berne Convention countries allows simultaneous recognition.

Fair Use Doctrine

Use of a copyrighted work, other than by the owner, is allowed for:

- criticism,
- comment,
- news reporting,
- scholarship/teaching,
- and research.

Transformative use of the original work is 'Fair Use'. For instance:

- a commentary on the copyrighted work
- a criticism of the work
- a parody

Trade Secrets

Trade Secrets

- **Protects:** any information that provides a competitive advantage to the business, so long as it remains secret.
- **Rationale:** if a trade secret is publicly disclosed, the value that the business would have gained from it is lost. Secrecy is paramount.
- Once a secret is leaked, it is no longer a trade secret!

What can be a Trade Secret?

Almost anything that is commercially valuable can be a trade secret.

For instance:

- business and marketing plans;
- customer lists;
- financial statements;
- supplier terms;
- product formulas;
- custom software, etc.

Requirements / Duration / Scope of Trade Secret Protection

- **Requirements for Protection:** Must take reasonable efforts to guard the secret.
 - Reasonable steps is generally judged by industry standards.
- **How Long:** As long as it's still secret
- **International:** Need an agreement enforceable in each country; Int'l Trade Commission can block imports into the US if the imports involved stolen trade secrets

Reasonable Efforts Include:

1. Storing trade secrets in safes or locked cabinets
2. Restricting access by key/combination
3. Using passwords to restrict access to computer files
4. Using non-disclosure agreements with employees
5. Using non-compete agreements with employees*
6. Disclosing confidential information only when necessary
7. Avoiding discussion of confidential information when visitors are present
8. Marking as “Confidential” important documents



Trademarks

Trademarks

A trademark distinguishes the goods/services of one company from those of another. A good trademark can identify a company using a word or set of words, a symbol, or sound.

Protects: Slogans, names, logos, colors, scents, sounds

How to get: Automatic common law trademark; must register for federal (includes intent to use)

Requirements / Duration / Scope of Protection

- **Duration:** as long as maintained/protected by holder
- **International:** Madrid Protocol countries enforce US trademarks without additional filing

Trademark Requirements / Limits

- **Some trademarks are easier to protect.**
- **Distinctiveness:** The trademark must have a distinct flavor. Distinctive marks allow consumers to identify the owner of the products.
- **Hierarchy:**

Generic - Descriptive - Suggestive - Arbitrary - Fanciful



Trade Dress

- Trade Dress refers to the packaging/design of a product.
- A legal term of art referring to characteristics of visual appearance of a product that signify the source of the product to consumers.
- A trade dress should not be functional, such as a shape which is necessary for the performance of the product.



How Do I Know if Something is Trademarked?

Perform a Trademark Search: It is important to perform a preliminary search to ensure that the trademark has not already been adopted by another company.

You can perform such a search yourself, or with the help of an attorney.

How Do I Create Trademark Rights?

- File a name and a logo. The cost is ~ \$325
<http://www.uspto.gov/trademarks/process/index.jsp>
- Use the mark in commerce (e.g., put it in a contract, sell something with the TM on it).
- Registering the mark is always a good idea to get nationwide protection.
- Unregistered marks used in commerce are protected by common law in the local geographic area only.

Patents

Patents

- **Protects:** unique inventions or processes.
- **Rights:** gives the inventor (or assignee) the exclusive right to make, use and sell the invention, and to exclude others from doing so without approval.

Types of Patents

- **Utility Patents**: Covers a machine, a process, articles of manufacture, new compositions of matter.
- **Design Patents**: Covers ornamental designs, shape of items.

Requirements for Patentability

General Requirements:

- Subject matter (Laws of nature, physical phenomena, and abstract ideas NOT eligible!)
- Novel
- Useful
- Nonobvious
- Full disclosure is needed

Getting a Patent: Process

- File a patent application with the USPTO.
- Should file a Provisional Patent Application to stake an initial claim. Owner then has 1 year to file a regular patent application (legal fees can be substantial ~10k).
- General Rule: first to file wins a dispute
- Even after issuance, patents can be declared invalid / unenforceable by a court (often due to inaccuracy or lack of details).
- Some inventors file patents on their own; most usually work with a patent attorney.

Duration / Scope of Protection

- **Duration:** 20 years after filing date; 14 years for design patents
- **International:** Patent Cooperation Treaty countries allow for simultaneous filing

Intellectual Property by Contract

Agreements Can Create or Restrict IP Rights

- NDAs – mutual or unilateral
- Non-commercial use (e.g., website TOU)
- Creative Commons – different licenses. Must read terms carefully (e.g., Apache)
- License / Assignment
- Non-Compete
 - Generally **unenforceable** in CA
 - **Use copyright/trade secret instead.** Can't stop people from using their know-how, but can prevent unauthorized IP use

Questions?

Contact the New Business Practicum:

www.law.berkeley.edu/new-business-practicum



@NewBusinessPracticum

William Kell, Supervising Attorney

510-642-4050, wkell@law.berkeley.edu

Additional Resources:

- NOLO Press Books;
- Copyright Office: www.copyright.gov
- Patent & Trademark Office: www.uspto.gov
- www.OLLIELEGAL.com