Program in Technology Commercialization

Intellectual Property Law Survey

Ben Dugan
Black, Lowe, and Graham PLLC

Introduction

Today we survey the primary legal regimes for protecting intellectual property:

- Patent
- Trademark
- Copyright
- Trade Secret
- Next time we dive into patents

Who am I?

- Currently:
  - Member of Black, Lowe, and Graham, PLLC
- Previously:
  - JD from UW – 2005
  - Lecturer in Dept. of CSE at UW
  - Chief Architect at a voice recognition startup – late 1990s
  - MS CS from UW – 1995

Intellectual Property in the News

- Reuters: Judge overturns $625 million Apple patent award
- LA Times: Myriad Genetics: Is it legal to patent a gene?
- CNET: Apple sues Amazon over ‘App Store’ trademark
- Hollywood Reporter: Charlie Sheen Moves to Trademark 22 Catchphrases

Yearly Patent Filings and Grants

% Applications Granted by Decade
Patents – Legal Basis

- Constitutional basis in Art. I, Sec. 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

- Code of Fed. Regulations: Title 37

Patent Basics

- Subject matter: process, machine, manufacture, or composition of matter (or improvement thereof)
  “Anything under the sun made by man.” Diamond v. Chakrabarty

- Conditions: new, useful, non-obvious
- Exclusive rights: make, use, sell, offer for sale, import the invention
- Duration: 20 years (from filing)

Patent Policy

- Quid pro quo:
  - Inventor discloses invention and enriches public knowledge
  - Government grants a limited monopoly

- Idea is to encourage investment in inventive activity, by enabling inventors to exploit fruits of their labor

- Getting scope/duration right:
  - Too broad/long → patent stifles innovation
  - Too narrow/short → system under-incentivizes innovation

Patent Policy - Limitations

- Patents have a limited duration: 20 years from filing

- Scope is limited in various ways:
  - Some subject matter is off limits: laws of nature, abstract ideas, natural phenomena
  - Inventions must be new
  - Inventions must be non-obvious to one having skill in the art at the time the invention was made

- The scope of an individual patent is defined by its claims
  - The claims determine validity and infringement

What Can You Patent?

- Devices and apparatus
- Software
  - Cannot patent an algorithm per se, but can patent a computer configured to execute the algorithm, a process for performing the algorithm
- Biotech
  - Compositions of matter (e.g., chemicals)
  - Processes (e.g., for isolating or synthesizing genes or other compositions of matter)
  - Genetically modified organisms
  - Genes

Patents – How do I get one?

- Invent something
- Prepare patent application
- File application with Patent Office
- Wait
- Negotiate with Patent Office
  - If all goes well, patent issues

- Cost: $30,000 +/- $15,000
- Time: 3 to 7 years
### Design Patents
- A design patent protects a new, non-obvious ornamental design for an article of manufacture.
- Obtain a design patent via the USPTO.
- Term: 14 years from issue.
- Cost: substantially cheaper than utility patents.
- Design patents are frequently overlooked, but can offer substantial protection for relatively low cost.

### Copyright – Legal Basis
- Constitutional basis in Art. I, Sec. 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: Title 17 of the US Code.
- Code of Federal Regulations: Title 37.

### Copyright Basics
- Subject matter: works of authorship.
- Conditions: original, fixed in a tangible medium of expression.
- Exclusive rights: copy, distribute, perform, display, make derivative works.
- Duration: life of author + 70 years.

### Copyright - Underlying Policy
- Again, the idea is to encourage investment in creative activity, by enabling authors to exploit their works.
- Again, there are issues with the scope and duration of protection:
  - If it is too broad/long → creative activity may be stifled.
  - If it is too narrow/short → creative activity may be under-incentivized.

### Copyright - Limitations
- Minimum standard of originality.
- Independent creation.
- Subject matter limitations: ideas vs. expression:
  - 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;… 17 USC 102(b).
- Fair use.
- “Limited” term...

### Copyright - How do I get one?
- Much easier than patents: fix your work in a tangible medium of expression.
- BUT: if you want to enforce in Federal Court, you must register the copyright with the Copyright Office.
- Cost: $40 per registration.
### Software Copyrights
- Copyright is often the cheapest/easiest way to protect software products
- However, there are pitfalls:
  - Lack of registration
  - Independent creation
  - Protection is limited to the non-functional aspects of a program

### Trademark
- Common law basis: passing off / misrepresentation
- Federal law: Lanham Act (Title 15 of the US Code)
- Protects indicators of source for products or services, including symbols, words, logos, colors, trade dress
- Indicator must be distinctive (cannot be generic or descriptive)
- Term: If the trademark is policed, it can last indefinitely

### Trademark Policy
- Policy basis includes consumer protection, efficiency of transactions
- Limitations:
  - Fair use
  - Geographic limitations
  - Generic indicators ineligible
  - Field of use limitations
  - Requirement to police mark

### Mark Distinctiveness
- Fanciful:
  - KODAK, XEROX, LEXUS
- Arbitrary:
  - APPLE, CAMEL, RABBIT
- Suggestive:
  - FRUIT LOOPS, GREYHOUND, 7-ELEVEN
- Descriptive:
  - WINDOWS
- Generic:
  - BEER, BREAD, CAR

### Marks Not Limited to Words
![Apple](apple.png), [McDonald's](mcdonalds.png), [Audi](audi.png)

### Trade Dress is Also Protectable
![Trade Dress Example](trade_dress.png)
Trademark - How do I get one?

- Harder than copyright, easier than patents.
  - Identify a “good” mark
  - Use the mark
  - File trademark application with the Trademark Office
  - Negotiation with Office
  - Oppositions
  - Registration certificate issues
- Cost/Time: ~$500-2000 and ~2 years
- Alternatives: Intent to use applications, state registrations, common law

Trade Secret

- Protects (1) valuable business information that (2) is not generally known, and (3) which is subject to reasonable efforts to preserve secrecy
- State law basis: Uniform Trade Secrets Act
- How to get one? Easy:
  - Make a secret
  - Keep the secret – use NDAs!
  - Notice the tension between patents and trade secrets

Regimes Compared

<table>
<thead>
<tr>
<th>Type</th>
<th>Term</th>
<th>Subject Matter</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Patent</td>
<td>20 years</td>
<td>New and useful machines, processes, compositions of matter</td>
<td>High</td>
</tr>
<tr>
<td>Design Patent</td>
<td>14 years</td>
<td>Ornamental designs</td>
<td>Medium</td>
</tr>
<tr>
<td>Trademark</td>
<td>Indefinite</td>
<td>Indicators of source</td>
<td>Medium</td>
</tr>
<tr>
<td>Copyright</td>
<td>Life + 70</td>
<td>Original works of authorship fixed in tangible mediums of expression</td>
<td>Low</td>
</tr>
<tr>
<td>Trade secret</td>
<td>Indefinite</td>
<td>Secret information</td>
<td>Low</td>
</tr>
</tbody>
</table>

Example Products

- What sort of IP protection is available for the following:
  - A smart phone
  - A piece of software
  - A new medical device
  - A customer list
  - Your company Website
  - Documentation
  - A collection of traffic, census, demographic data

So you’re starting a company

- Drink the cool-aid: understand your IP value
  - Investors will expect you to at least have a plan
- Appropriate agreements
  - With employees: IP assignment agreements
  - With contractors – ownership of work product
  - With investors - NDAs
- Educate yourself with respect to IP
  - Lots of good books out there
- Talk to an attorney

Why Agreements Matter

- There are default rules for allocation of inventions and copyrights between parties in the workplace
  - They differ as between copyright and patent
  - They differ as between employee and contractor
- To clean up this mess, employ contract law to reallocate the rights
  - As an employee, you’ll (generally) be asked to sign one. Read it.
  - As an employer, you’ll need to have these in place – EARLY.