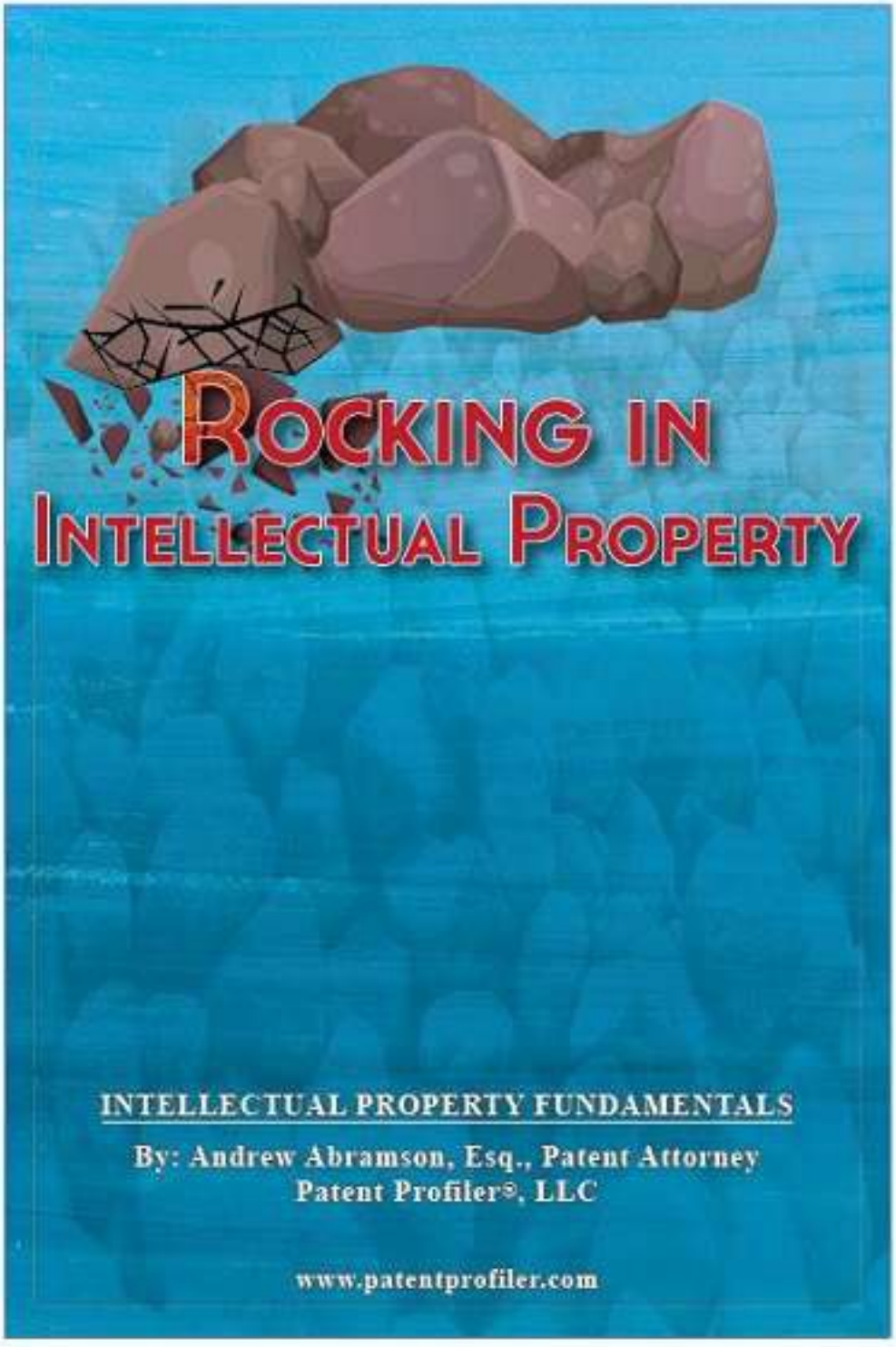
ROCKING IN
INTELLECTUAL PROPERTY
INTELLECTUAL PROPERTY FUNDAMENTALS
By: Andrew Abramson, Esq., Patent Attorney
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ABRIDGED VERSION

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TABLE OF CONTENTS

Table of Contents

Introduction to Intellectual Property

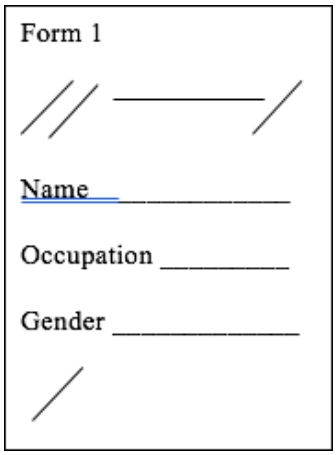
Intellectual property (IP) is a valuable asset for any company. Often, the only way a small business can compete with the Goliaths of the world is through their intellectual property. Intellectual property takes many forms, such as copyrights, trade secrets, trademarks, and patents.

The strongest form of intellectual property is a patent. A patent protects an invention and provides a patent owner with a monopoly for a limited amount of time. As a patent is the strongest form of intellectual property, it has to be registered and is the most expensive to obtain and keep. The next strongest form of intellectual property is a trademark. A trademark protects a word or words, slogan, logo, etc. used to identify the source or origin of a good or product. The trademark, which may be registered, is not as expensive as a patent but is rather moderately priced. A copyright protects a work of expression fixed in a tangible medium, such as a painting painted on a piece of paper. A copyright may be registered and protects against copying. There are nominal expenses to obtain a copyright. A trade secret protects information that provides a competitive advantage to its owner. A trade secret is not registered and lasts indefinitely (as long as it remains a secret).

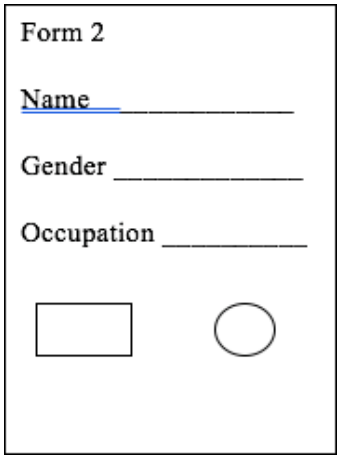
This e-book provides an introduction to the different forms of IP. No previous knowledge or experience on any of these topics is needed to understand what is covered in this e-book, so read on!

Copyrights

Copyrights protect works of expression recorded in some concrete way (also referred to as being fixed in a tangible medium). Copyright law covers the broad range of literary and artistic expression, including books, poetry, song, dance, dramatic works, computer programs, movies, sculptures, and paintings. Examples include an artist's painting on a canvas, a musician's song lyrics written on paper, a singer recording a song on a compact disc, an author's story being written on paper (e.g., in a book), someone developing and storing in a computer memory a web page or software code, etc.



The focus of copyright protection is originality of a work expressed or fixed in a tangible medium (e.g., paper, a canvas, a CD, a tape, computer memory, etc.). Ideas themselves are not copyrightable, but the author's particular expression of an idea is protectable under copyrights. A copyright protects the expression of a work and not the idea itself. For example, suppose I create a unique form (Form 1) with a particular layout and specific blanks for someone's name, occupation, and gender.



If someone else creates a different form (Form 2) with a different layout but that has these same blanks, my copyright has not been infringed (which means violated) because the expression of this form (the layout) is different. The idea of having blanks for someone's name, occupation, and gender is not protected under copyright.

a) Time period awarded by copyright protection

In the United States, most existing works have a copyright for a term ending 70 years after the death of the author. If the work was a work for hire (e.g., a work created by an employee of a corporation within the scope of the employee's employment, in which case the corporation is awarded the copyright), then the copyright lasts for 120 years after creation or 95 years after publication, whichever is shorter. As stated above, an author obtains a copyright once the work of expression is materialized in a tangible medium.

b) Rights Conferred by a Copyright

A copyright actually awards several rights, as described below.

i. Copying

The owner of a copyright has the exclusive right to make copies of his work. Thus, a copyright protects against copying of protected expression. An independent creation of a work that is similar to a copyrighted work is not subject to the copyright.

ii. Derivative Works

The owner of a copyright has the exclusive right to prepare "derivative works". A derivative work is a work based on the original work but in a different form or otherwise changed or adapted in some manner. For example, a movie based on a book, a translation, a sound recording, etc. are derivative works. These derivative works are also copyrightable.

A "compilation" is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. An example is an encyclopedia because an encyclopedia contains a number of independent works assembled into a collective whole. A compilation can be copyrighted if there is some minimal degree of creativity to merit copyright protection.

iii. Distribution

The owner of the copyright has the right to control the sale and distribution of the original work and any copies or derivative works. This right only extends to the first sale of the works and does not apply to additional sales. For example, if I am an artist and I paint a picture, I can sell the picture to person A for a price that I set. I cannot, however, prohibit person A from selling the picture to person B. Similarly, I cannot set the price that person A sells the picture for to person B.

iv. Performance and Display

The owner of a copyright has the right to control the public (but not private) performance and display of the copyrighted work. This does not relate to using a receiving apparatus that is basically a private home-type device, such as a radio or television. Thus, a restaurant or hotel that plays music through speakers for its guests is not infringing the copyright in the music being played.

c) Infringement of a copyrighted work

An infringement of a copyrighted work occurs when someone copies the work. To determine if a work has been copied illegally, courts accept proof that a party had access to the copyrighted work (such as that the copyrighted work was displayed on a web page). The courts usually also look at evidence indicating that the two works are substantially similar.

A copyrighted work would be infringed by copying the entire work or copying a substantial part of the work. Even the copying of a small amount of the original work, if significant in quality, may be enough for infringement of the original work.

If a first artist paints a new painting that is substantially similar to another painting made by a second artist but that has not yet been released to the public, most courts would determine that no copyright infringement has occurred because the first artist independently created the painting without having access to the second artist's painting. A copying has to be inferred or directly proven for copyright infringement to be found.

Trade Secrets

A trade secret is any information used in one's business that gives the business owner a competitive advantage over others who do not know the information. Thus, a trade secret is any valuable information not generally known that adds or is capable of adding economic value to the owner. A trade secret can be a formula, practice, process, method, technique, design, instrument, pattern, or compilation of information which is confidential and is not easily obtainable.

Unlike patents, which expire after a certain period of time, trade secret protection lasts indefinitely as long as the information remains a secret. The formula for Coke® is a classic example. The Coca-Cola® Company does not have a patent on the formula for Coke® but instead relies on trade secret protection to protect this valuable formula.

If someone acquires your trade secret wrongfully (also referred to as trade secret misappropriation), you can sue them. Misappropriation of a trade secret includes acquiring the information through deception, theft, spying, etc.

The key to keeping a trade secret is to perform steps or execute procedures to keep the information secret. An example of a procedure to keep information secret includes when a company only allows a few key people to know the secret (disclosure of a trade secret to a limited extent (e.g., to a few people) does not destroy its status as a trade secret). Another example is when a company secures the information (e.g., formula) in a safe, vault, secure room, or secure area. If no procedures are in place to keep the information confidential, a company cannot later state that the information is a trade secret. Once a trade secret is lost, the owner of the information cannot prevent others from copying or using the trade secret.

a) Disclosure of Trade Secret

The protection of a trade secret continues indefinitely as long as the trade secret remains secret. Thus, a public disclosure of a trade secret destroys the secret and therefore ends trade secret protection.

An example of a disclosure of a trade secret is when the trade secret owner publishes the secret (e.g., at a conference, in an article, on a web page, etc.). Taking this example further and as described in

more detail below, filing a patent application on an advancement usually destroys trade secret protection for that advancement because patent applications usually publish after a certain amount of time. Similarly, if and when a patent issues, the patent is published. Thus, a company cannot have a patent on an invention and also keep it a trade secret. Once the patent application or patent publishes, the trade secret is lost.

Another example of a disclosure of a trade secret (and therefore the elimination of trade secret protection) is when the secret is disclosed by selling a product that reveals the trade secret. If, however, the trade secret is contained in an undiscoverable form within a product and the product is sold, trade secret protection for the secret is not lost. This applies, for instance, with object code of a computer program because the object code does not reveal the actual computer program.

A third example of a disclosure of a trade secret is when a third party who is not the owner of the trade secret finds out about the secret (such as by stealing the secret) and then publishes the information. Even though the company did not publish the information, the information is no longer a secret and trade secret protection is lost. The company will likely be able to sue and win against the third party for trade secret misappropriation, but the trade secret protection will be lost for that information.

Trademarks

Trademarks are one or more words, graphics, logos, slogans, sounds, and/or scents that identify a source or origin of a product or good. Trademark protection is awarded to those who are the first to use a distinctive mark in commerce.

An example is the Nike® Swoosh. To obtain a trademark, one may apply for the trademark with the U.S. Patent and Trademark Office (USPTO). The USPTO performs a search to see if any other marks exist that are too similar to the application. If there is a likelihood of confusion with another mark, the USPTO will reject the application. If you can convince the USPTO that your application should be granted, and if the USPTO does grant the application, the trademark is valid throughout the United States.

If you register your trademark, you obtain the right to exclusive use of the mark in relation to the products or services for which it is registered. Typically, the owner of a registered mark can prevent unauthorized use of the mark in relation to products or services which are identical or similar to the registered products or services. The test is always whether a consumer of the goods or services will be confused as to the identity of the source or origin.

a) Classification of Trademarks

Only certain trademarks are afforded legal protection, depending on their classification. A mark can be classified as either:
Arbitrary or fanciful,
Suggestive,
Descriptive, or
Generic.

An arbitrary or fanciful mark is a word, phrase, logo, etc. that does not describe or relate to the product associated with the mark. Arbitrary or fanciful marks are the strongest marks because they are recognized only due to the commercial use of the mark with a product. Examples of arbitrary or fanciful trademarks include Nike® for sneakers, the Nike® "swoosh" (below), Apple® for computers, the Apple® logo (below), Shell® for gasoline, and the Shell® logo (below).



As you move further down the list of classifications, the strength of the mark decreases. Suggestive marks suggest a product to people. Examples of suggestive marks are Microsoft® for software for a microcomputer and Coppertone® for sun tanning products. Descriptive marks describe the product or service offered. An example of a descriptive mark is ComputerLand® for a computer store. As stated below, descriptive marks do not become protectable trademarks unless secondary meaning is established. Generic marks are so entwined with the product that the mark has become the way people refer to that type of product. Examples of generic marks are Kleenex, aspirin and cellophane. Generic marks may have started out as arbitrary, suggestive, or descriptive, but, through years of use, they have become generic and have lost their rights as trademarks.

b) Trademark Infringement

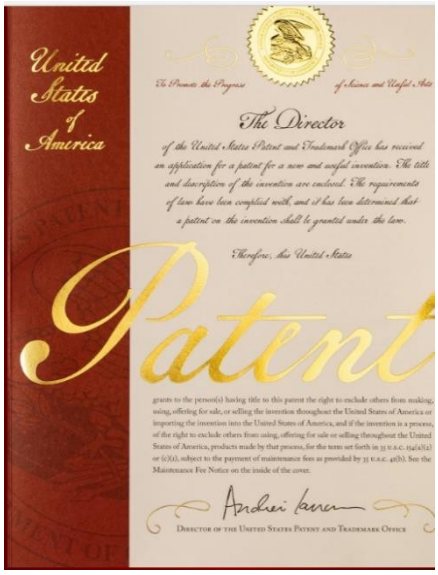
Trademark infringement occurs when a company A uses a mark to identify its product or service and the mark is similar to or the same as a mark used by company B for a similar product or service. To determine if the company A's mark is "infringing" or violating company B's mark, a court would look at the following two criteria: (1) likelihood of confusion, and (2) dilution.

c) Cybersquatting of domain names

Cybersquatting occurs when a person other than the trademark holder registers the domain name of a well-known trademark and then attempts to profit from this by either ransoming the domain name back to the trademark holder or using the domain name to divert business from the trademark holder to the domain name holder. A person will be guilty of cybersquatting if he, without regard to

the goods or services of the owner of the mark, (i) had a bad faith intent to profit from the mark; and (2) registers, traffics in, or uses a domain name that is confusingly similar to another's mark or dilutes another's mark.

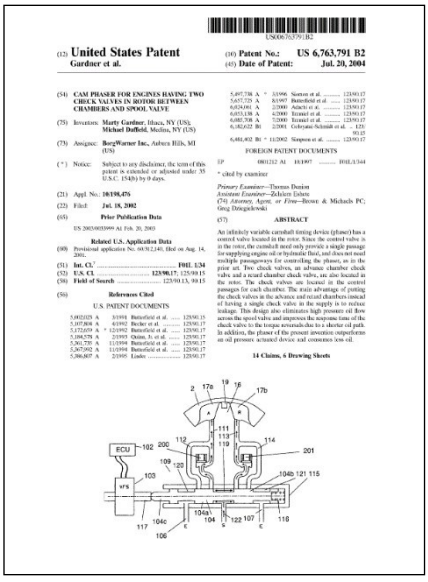
Patents



Patents are legal documents filed with the USPTO that describe and protect inventions. Patents provide a negative right – the right to exclude others from making, selling, using, or importing the patented invention. People often think of a patent as a monopoly in the claimed invention for a limited period of time. Patents are valid for twenty years from the patent's filing date. In exchange for the monopoly granted by the U.S. government for a limited period of time, the patent is published so that others can learn from the patented invention and potentially build upon the knowledge.

The act of filing a patent application with the USPTO enables you to write on your product the words "patent pending". These words lend credibility to your product, may increase sales, and may cause competitors to think twice before copying your product. Additionally, you will have many more rights if you have a patent application on file with the USPTO than if you didn't file before you speak to a company about your product regarding manufacturing and/or selling your product. Also, if you ever need to speak to a potential investor to try to get funding for your business, the investor will usually ask if you have any patents or patent applications on file. Answering yes to these questions will typically help facilitate obtaining funding. Further, if you are granted a patent, you can prevent people from copying your invention. You can also license your invention to another company. This company can then make and sell a product based on your patent while you build your wealth by collecting royalties.

a) Steps to Get From Patent Pending to Issued Patent



Once you file a patent application, the journey is just beginning on being awarded a patent. As stated above, you can write the words "patent pending" on your product associated with the patent application. But how do you get to an issued patent? After a period of time, an examiner at the UPSTO will examine your patent application. Most of the time, they will send a communication back to you describing why they think your idea is not patentable. In this communication, which is called an Office

Action, the examiner will typically refer you to different parts of other publications and say that these publications already show your idea.

Therefore, they will say, you cannot be awarded a patent because your idea is already known or is obvious in light of what is known. You have to respond to the USPTO's Office Action with a written response. If you can convince the Examiner that your idea is different than what they are pointing to, the Examiner will either issue a new Office Action or will award you a patent on your invention. The process of trying to get a patent, such as by arguing with the USPTO on the patentability of your invention, is called "prosecution" of a patent application.

b) Infringement of Claims

Another party infringes a patented claim when they make, use, sell, or import the elements of the claim. For example, if a party performs the steps of the claim, and has the components, modules or parts that are claimed, they infringe the claim.

If you have a patent and want to assert one or more claims of the patent, you can choose which claim or claims to assert. If a competitor infringes a claim, you can often collect money from the infringer for infringing your patent. If the patent is involved in a lawsuit, the defendant usually states that your patent is invalid and unenforceable. The defendant will attempt to find prior art that discloses what you claim, thereby trying to indicate that your "invention" was already known before your filing date.

Thank you! Please let us know what you thought of this e-book by emailing us at general@patentprofiler.com.

About the Author

Andrew Abramson is a registered patent attorney with over fifteen years of experience in patent application drafting and patent prosecution. Andrew has worked in both large law firms and a small law firm with just a few attorneys. Andrew has counseled and performed IP work for large corporations, medium-sized companies, universities, small companies, and solo inventors.

Andrew graduated from Suffolk University Law School, cum laude, with a concentration in Intellectual Property, with distinction. For the majority of his law school career, Andrew went to law school in the evening while working for a large law firm during the day. During his first year of law school, Andrew was ranked first in his class and also won the award for Best Legal Writing Brief. Andrew won the Carol DiMatti scholarship after his first year of law school.

Andrew also attended Binghamton University and graduated with a Bachelors of Science degree in Electrical Engineering. Andrew was a member of Eta Kappa Nu, the Electrical Engineering Honors Society. After graduating from Binghamton and before going to law school, Andrew worked at Raytheon, a defense contractor, as a software engineer.

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