

Executive MBA
guest lecture on

Intellectual Property Law

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PUBLIC DOMAIN

The public domain includes all knowledge

[A] prior to appropriation of that knowledge by an owner of intellectual property;

[B] outside the scope of the intellectual property during the duration of the IP;

and

[C] after the duration of the IP.

Any one may **freely use** any knowledge that is in **the public domain**.

All intellectual property law provides protection that is limited, either in duration (e.g., patent and copyright) and/or in scope (e.g., FAIR USE in copyright).

Unauthorized use of protected intellectual property is an infringement of the property owner's rights.

PATENTS

protect **ideas**
reduced to physical practice

COPYRIGHTS

protect **expressions** of ideas

TRADEMARKS

protect marks that
identify
a source of goods or services

TRADE SECRETS

protect
commercially valuable
generally unknown
information
reasonable efforts to protect

The type of and scope of property rights vary between the four forms of intellectual property; also varying is who the law presumes is the initial owner.

Once created, intellectual property is transferable via the ordinary law of contracts and (*intangible*) personal property.

Once protection terminates, or if protection is not properly obtained, then the intellectual property reverts to the public domain.

Intellectual Property: FEDERAL versus STATE

Patents and copyrights are federal.

In the U.S.A. *Constitution*, Art. I, Sec. 8, cl. 8
the States granted Congress the power

"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."

PATENTS

**PATENTABLE SUBJECT MATTER
INCLUDES**

**process
machinery
manufacture
composition of matter**

EXCLUDES

**laws of nature
physical phenomena
abstract ideas
printed**

TYPES OF PATENTS

There are three types of patents:

UTILITY PATENTS

useful and functional aspects of technology
this is typically what is meant by "patent"

DESIGN PATENTS

original **appearance** or ornamental aspects of
useful article, but not functional

aspects

PLANT PATENTS

invent or discover a new variety of plant, and
asexually reproduce

To obtain a patent you must disclose your invention in your application.

RIGHTS OF PATENTS

A patent is a **legal monopoly**.

The patent owner has the legal right to exclude.

You may **EXCLUDE others** from:

**MAKING,
USING,
SELLING, and
IMPORTING.**

DURATION: patent is a legal monopoly of **twenty (20) years**; but **maintenance fees** are at **3 1/2 years, 7 1/2 years, and 11 1/2 years.**

TO OBTAIN A PATENT

Your invention must satisfy:

subject matter,

genuineness,

true inventor (i.e., human) must sign

usefulness,

very simple to satisfy

novelty, and

show not novel by . . .

printed publication anywhere in the world

public use in USA

on sale in USA

not obvious in light of current technology.

GENUINNESS

"hired to invent" if prior, written contract

Patents require a human inventor.

Employees own patents unless hired to invent.

An employee is presumed to be outside the scope of authority unless a prior, written, signed contract.

NOTE: this is the reverse of the copyright rule.

NON - OBVIOUS

Must be not obvious,
to a person of ordinary skill in the art,
in light of current technology.

More than novel.

Ask three questions.

- 1. What are the differences?**
- 2. What is the ordinary skill level?**
- 3. Would the difference be obvious?**

Your application must disclose so as to enable the
best method of practice.

REVERSE ENGINEERING

does **not strip** the patent owner of any existing patent rights.

NOTE: this is the reverse of the trade secret rule.

Recall **disclosure** in application.

The USA is unlike the rest of the world on the issue of a the race to the patent office.

USA	=	first to invent
rest of world	=	first to file

Reverse engineering may enable first to file so that first to invent no longer may practice the technology.

COPYRIGHT

COPYRIGHTS

**protection of the expression of an idea,
rather than the idea**

exclusive ownership right to expression

ORIGINAL

**works of authorship FIXED
in a TANGIBLE MEDIUM of expression
from which works may be
PERCEIVED, REPRODUCED, or otherwise
COMMUNICATED.**

COPYRIGHT SUBJECT MATTER

literary (e.g., computer program)

musical

dramatic

choreographic

pictorial & sculptured

motion picture

sound recording

architectural work

compilations of data

major international fight in late 1996:

is "sweat of the brow"

equal to **originality**?

computer chip masks

AUTOMATIC COPYRIGHT

REGISTRATION IS NOT NECESSARY, *but registration must precede filing a copyright infringement suit.*

RIGHTS OF COPYRIGHTS

EXCLUSIVE RIGHT TO:

- * **COPY,**
- * **prepare DERIVATIVE works,**
- * **DISTRIBUTE,**
- * **PERFORM works in public, and**
- * **DISPLAY works in public.**

DURATION

human author

life + 70 years,

corporate author

creation + 120 years,

publication + 95 years

In 1998, Congress added 20 years.

Is more than 100 years "limited"?

WORK - MADE - FOR - HIRE

Employers

are the "author" for works created by employees **within scope of employment**, **unless** there is a **signed contract prior to creation**.

In contrast, principals are not authors.

Independent contractors are the "author" **unless** there is a **signed contract prior to creation**.

NOTE: reverse of patent hired to invent rule.

EXCLUSIVE COPYRIGHTS LIMITED BY:

FAIR USE (a major limitation),

1. **purpose** of copy
non-profit in-class educational use
2. **nature** of the work
books get more protection than data
3. **substantiality of the copying**
small portions versus whole
and (*but, in effect, an "and/or"*)
4. **effect on the market**
portion of the potential market for copies

**Both Fair Use and parody
are part of the public domain,
and
outside of the legal monopoly granted by a copyright.**

**Fair Use is statutory,
while
parody springs from constitutional law.**

Parody is a 1st Amendment comedic mimicking.

Pretty Woman

NOTE: reverse of trademark parody rule.

Digital Millennium Act of 2000

**makes it a felony to defeat security device,
even if use after defeat is fair use**

TRADEMARKS

Under the federal Lanham Act,
federal registration with the
Patent and Trademark Office (www.USPTO.gov)
establishes
priority and **scope of protection:**
more than one source
may have the right to use a mark.

Acme (fill in type of firm)

TRADE MARKS

are exclusive right to use a specific MARK on a
product or service to **IDENTIFY** a **SOURCE**.

Gain exclusive right by use by **AFFIXING** the mark.

Federal protection is national.

**State protection is limited to area
in the State where the mark has been used.**

**A prior federal registration of a mark
PREEMPTS subsequent State trademark rights.**

**BUT prior State use or registration
is not preempted by subsequent federal
registration.**

**To obtain federal protection the applicant
must use or
intend to use
(e.g., investment in marketing plan)
in interstate commerce.**

**Trademarks are for products;
Service Marks are for services.**

Marks are valid as long as they are used.

PROTECTABLE MARKS:

Identify the source,
not the name of the item

(e.g., Frisbee v. frisbee
Thermos v. thermos)

fanciful words,
personal or geographic names,
symbols,
slogans,
shapes,
colors, or
scents.

DISTINCTIVENESS

inherently distinctive

fanciful

arbitrary

suggestive

not inherently distinctive = descriptive
descriptive is protectable
if secondary meaning

not distinctive
generic

LIKELIHOOD OF CONFUSION

as to the source are **not permitted**.

Focus on the consumer.

In 1999, Congress adopted an **anti-dilution** act for **famous** trademarks and to stop cybersquaters.

Marks are to aid the consumer,
accordingly,
parody of a trademark is NOT lawful.

Mutant of Omaha

NOTE: reverse of copyright parody rule.

TRADE SECRETS

The elements of the **UTSA definition** of "trade secret" are:

INFORMATION

independent **ECONOMIC VALUE** from secrecy

REASONABLE EFFORTS TO MAINTAIN SECRECY

Trade secrets can offer protection that patents and copyrights cannot.

Subject matter nearly **unlimited**.

Duration of protection is **as long as** the secret stays **generally not known**.

Trade secrets need **not** be **exclusive**.

Protection against **improper taking**, either because the taking is **unlawful** or is improper **under the circumstances**.

Trade secrets
are creatures of
State and common law.

In late 1996,
Congress passed a criminal statute dealing with
international industrial espionage.

Implicitly, the Art. I. sec, 8, clause 8 prohibits
federal trade secrets
(i.e., neither exclusive nor limited time).
However, at the outer edge of Commerce Clause,
where States are implicitly preempted,
a residue of federal trade secret power exists.

REVERSE ENGINEERING is a proper taking.

Recall that trade secrets are not exclusive.

The discovery of the trade secret by another does not, by itself, end your trade secret.

**However,
the general disclosure of your trade secret by any person,
including an unlawful disclosure,
does end your trade secret.**

NOTE: reverse of patent reverse engineering rule.

Courts **favor employERs** is allocating ownership of trade secrets created within an agency context.

Inevitable Disclosure Doctrine
might bar
employEE from working
with any other employER in the industry

Far closer to copyright Work Made for Hire rule
than to the
patent **Hired to Invent rule.**

