

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.

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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.

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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 for which the owner takes reasonable efforts to protect

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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.

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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."

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PATENTS

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PATENTABLE SUBJECT MATTER INCLUDES

process (e.g., business methods)
machinery
manufacture
composition of matter

EXCLUDES

laws of nature
physical phenomena
abstract ideas
printed

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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.

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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.

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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.

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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:

The employee is the ownership patent rule is
the opposite of the copyright rule and
the opposite of the trade secret approach.

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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**.

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REVERSE ENGINEERING

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

NOTE: opposite of trade secret reverse engineering.

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.

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COPYRIGHT

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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.

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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

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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.

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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:
The employER is the owner copyright rule is
the opposite of the patent rule,
but similar to the trade secret approach.

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.

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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.

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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.

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DISTINCTIVENESS

inherently distinctive

fanciful
arbitrary
suggestive

not inherently distinctive = **descriptive**
descriptive is protectable
if **secondary meaning**

not distinctive
generic

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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 cybersquatters.

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

NOTE: reverse of copyright parody rule.

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TRADE SECRETS

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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** (misappropriation), either because the taking is **unlawful** or because the taking 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 **domestic** 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: opposite of patent reverse engineering rule.

Courts **favor employERs** in 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.

NOTE: The employER is the owner of trade secret approach is the closer to the copyright rule and the opposite of the patent rule.

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