

**Dr. Darryll Lewis' BSAD 8010
"Legal, Ethical, and Social Environment"**

guest lecture on
Intellectual Property Law

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Pierson v. Post, 3 Cai. R. 175, 2 Am. Dec. 264, 1805.

http://en.wikipedia.org/wiki/Pierson_v._Post

A fox hunt originating on private lands and conducted by Post on horseback with dogs is nearing its conclusion when the fox diverts to public lands whereupon Pierson, fully aware of that the fox hunt is in progress, takes the fox via gun. Theft?

What exercise of dominion is sufficient to own *ferae naturae*?

Pursuit alone vests neither property nor right; ownership requires actual corporeal possession. Justinian I

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Reasonable

MAJOR VARIATIONS OF RULES OF LAW BETWEEN THE TYPES OF INTELLECTUAL PROPERTY

duration
employEE creators
parody
preemption
reverse engineering
subject matter

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Law ≠ Ethics ≠ Law

Can = **power to act** (future tense = **might**)
May = **authority to act** (future tense = **may**)
Should = **ethical to act** (future tense = **ought**)

You **CAN** download for free.
Sometimes you **MAY** download for free.
When **SHOULD** you download for free?

**IP, more than most areas of the law,
will reveal your ethics.**

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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.

IP might create a **legal** monopoly; and far less likely IP creates an **economic** monopoly.
When is an economic monopoly ethical?

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TRADE SECRETS protect commercially valuable generally unknown information for which the owner takes reasonable efforts to protect

PATENTS protect ideas reduced to physical practice

COPYRIGHTS protect expressions of ideas

TRADEMARKS protect marks that identify a source of goods or services

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Preemption
The U.S.A. Constitution grants the federal government exclusive authority over patents and copyrights via Art. I, Sec. 8, clause 8: "Congress shall have 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;"

Both Congress and the States share authority over trademarks via Congress' Commerce Clause, Art. I, Sec. 8, clause 3: "Congress shall have the Power ... To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;"

Trade secrets, in stark contrast, are primarily outside Congressional authority because trade secrets are neither exclusive rights nor limited in duration.

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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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Legal protection of IP is limited to the jurisdiction.
A Canadian patent only protects in Canada
(e.g., Blackberry).

The massive corporations of the global economy have successfully pressured national governments into changing domestic laws and into joining treaties so as to dramatically increase the uniformity of the procedures for obtaining IP protection, the duration of IP protection, and, to a far less extent of uniformity, the scope of IP protection.

patents via the Paris Convention, starting in 1883 now known as WIPO, see, www.WIPO.org
copyrights via the Berne Convention, starting in 1886 see, www.ipmall.info

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TRADE SECRETS

The elements of the UTSA definition of a "trade secret" is:

INFORMATION
with independent **ECONOMIC VALUE**
from secrecy along with
REASONABLE EFFORTS TO MAINTAIN SECRECY
<http://www.law.upenn.edu/bll/archives/ulc/fmact99/1980s/utsa85.htm>

Technically, trade secrets are part of tort law;
not a part of *property law* nor contract law.

NOTE:

any "uniform" State law reduces effective reach of the federal preemption power.

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Trade secrets can offer protection that patents and copyrights can not.

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 (i.e., misappropriation), either because the taking is unlawful or because the taking is improper under the circumstances.

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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., since neither exclusive nor limited time).

However, at the outer edge of Commerce Clause (i.e., dormant Commerce Clause), where States are implicitly preempted, a residue of federal trade secret power exists (e.g., on the International Space Station).

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REVERSE ENGINEERING is a proper taking.

Recall that trade secrets are not exclusive.

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

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

NOTE: *The trade secret rule for reverse engineering is the opposite of the patent rule for reverse engineering.*

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Courts favor employERs in allocating ownership of trade secrets created within an agency context (i.e., employERs and principals obtain ownership).

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

Is it ethical for an employER to end an employEE's career in an industry?

NOTE:

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

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PATENTS

RIGHTS OF PATENTS

A patent is a **legal monopoly**.
The patent owner has the legal right to exclude.
Patent owner may **EXCLUDE others** from:

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

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

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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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TO OBTAIN A utility PATENT

Your invention must satisfy:

subject matter,

genuineness,

true (i.e., human) inventor 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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**PATENTABLE SUBJECT MATTER
INCLUDES**

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

EXCLUDES

laws of nature (e.g., $e = mc^2$)
physical phenomena (e.g., genetics [?])
abstract ideas (e.g., algorithm)
printed (see, copyright)

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PATENTS: Two Major Subject Matter Cases

***Diamond v. Chakrabarty*, 447 U.S. 303 (1980).**

http://en.wikipedia.org/wiki/Diamond_v._Chakrabarty

USSCt over ruled USCA rejection of USPTO granting a patent application covering bacterium capable of breaking down crude oil for use in treating oil spills.

Absent congressional action, **human-made life is patentable** subject matter.

What is "ice nine"? http://en.wikipedia.org/wiki/Ice_nine

***Bilski v. Kappos*, 561 U.S. ____ (2010).**

http://en.wikipedia.org/wiki/Bilski_v._Kappos

USSCt adopted the **machine-or-transformation test** not as the sole test, but rather as **an important clue**, for determining the patent eligibility of a process (e.g., business methods patent).

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GENUINNESS

EmployEEs own patents unless hired to invent.

"hired to invent" if prior, written, signed contract.

Patents require a human inventor.

The employEE's invention is presumed to be outside the scope of authority unless a prior, written, signed contract.

NOTE:

The employEE is the owner of the patent is the default rule for patents which is the opposite of the copyright rule and is the opposite of the trade secret rule.

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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; much more than ©'s original.

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**.

Ethically, how little MAY be disclosed?

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REVERSE ENGINEERING

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

NOTE:

Patent rule is opposite of trade secret rule for reverse engineering.

Recall **disclosure** in patent 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 when coupled with **first to file** empowers large corporations to usurp inventions so that the inventor who was the **first to invent** no longer may practice the technology.

Ethically, which is superior: file or invent?

?

COPYRIGHTS

protection of the **expression** of an idea,
rather reduction to physical practice of 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**.

The **originality** required for copyright's "original"
is **far less than**
the **not obvious** required for patent's "invention".

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AUTOMATIC COPYRIGHT

REGISTRATION IS NOT NECESSARY,
but registration must precede filing
(i.e., standing to sue)
a copyright infringement suit.

RIGHTS OF COPYRIGHTS

EXCLUSIVE RIGHT TO:

- * **COPY**,
- * prepare **DERIVATIVE** works
(e.g., music sampling),
- * **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
(e.g., old law was life + 50 years).

*Is more than 100 years "limited", or
is more than 100 years unconstitutional?*

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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
Is "sweat of the brow"
equal to originality? (USA = yes)
computer chip masks

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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,
an **independent contractor** is the "author",
and the principal is not the author:
unless there is a **signed contract** prior to creation.

NOTE:
The default copyright rule of employER is the owner
is similar to the trade secret rule,
but, is opposite of the default rule for patents.

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EXCLUSIVE COPYRIGHTS LIMITED BY:

FAIR USE (a major limitation),

- 1. purpose** of copy
(e.g., *non-profit in-class educational use*)
- 2. nature** of the work
(e.g., *books get more protection than data*)
- 3. substantiality of the copying**
(i.e., *when is copying a part equivalent to copying the "whole"?*)

and (*but, in effect, an "and/or"*)

- 4. effect on the market**
portion of the potential market for copies

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Under copyright, both Fair Use and parody are part of the public domain, and thus 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: *Copyright parody rule is (largely) reverse of trademark parody rule (i.e., whose free speech?).*

Digital Millennium Act of 2000 makes it a felony to defeat security device, even if the use after defeat is fair use
Is forcing fair use user into a DMA felony ethical?

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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.

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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 of a mark 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.

*Is it ethical to seek profit by
federally registering another's State protected mark?*

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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
Genuine Thermos v. thermos)

fanciful words (e.g., Xerox),
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** is **not permitted**:
 focus on the consumer.

Recall:
political © *v. commercial* ® *free speech* ;
 especially *content regulation*.

Marks are to aid the consumer, accordingly,
parody of a trademark (largely) **is NOT lawful.**
Mutant of Omaha; but, Dogiva

In 1999, Congress adopted an **anti-dilution** act
 for **famous** trademarks and to stop cybersquaters;
 but, **not mere niche** and must **show actual damages**
 (e.g., *Victor's Secret*).

NOTE: *Trademark parody rule*
 is (largely) *the reverse of the copyright parody rule.*

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?

public domain
 preemption
 subject matter
 parody
 employ**EEs**
 reversing engineering

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