

Lewis' UNO EMBA class  
guest lecture on

## **Intellectual Property Law**

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**this document**

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# Reasonable

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

**duration**  
**employ<sup>EE</sup> creators**  
**parody**  
**preemption**  
**reverse engineering**  
**subject matter**

# 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.**

## **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.**

**IP might create a legal monopoly; and IP might create an economic monopoly.**

***When is an economic monopoly ethical?***

## **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**

## **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.**

**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.**

**Legal protection of IP is limited to the jurisdiction.**

**A Canadian patent only protects in Canada  
(e.g., Blackberry).**

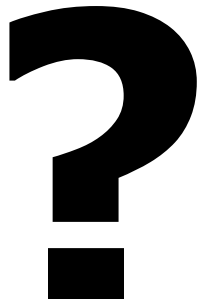
**The massive corporations of the global economy  
have successfully pressured national governments  
into changing domestic laws and into joining treaties  
so as to dramatically increase the uniformity  
of the procedures for obtaining IP protection,  
the duration of IP protection, and, to a far less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

**patents via the Paris Convention, starting in 1883**

**now known as, [www.WIPO.org](http://www.WIPO.org)**

**copyrights via the Behrn Convention, starting in 1886**

**see, [www.ipmall.info](http://www.ipmall.info)**



# 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.**

## 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.

## **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.**

# **PATENTABLE SUBJECT MATTER** **INCLUDES**

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

# **EXCLUDES**

<b>laws of nature</b>	<b>(e.g., <math>e = mc^2</math>)</b>
<b>physical phenomena</b>	<b>(e.g., lightning)</b>
<b>abstract ideas</b>	<b>(e.g., algorithm)</b>
<b>printed</b>	<b>(see, copyright)</b>

## **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.*

## **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?***

## **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.**

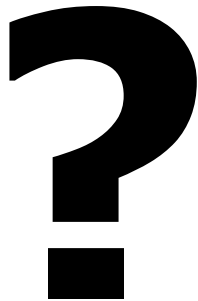
**The USA is unlike the rest of the world**

**on the issue of a the race to the patent office.**

<b>USA</b>	<b>=</b>	<b>first to invent</b>
<b>rest of world</b>	<b>=</b>	<b>first to file</b>

**Reverse engineering may empower the first to file  
so that  
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".

**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.**

## **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?***

## **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**

## **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.**

## 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*

**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*

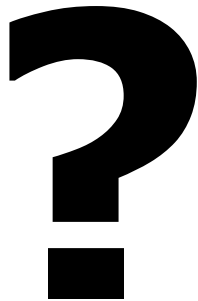
**NOTE:** *Copyright parody rule*

*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?***



# TRADEMARKS

**Under the federal Lanham Act,**  
federal registration with the  
Patent and Trademark Office ([www.USPTO.gov](http://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 of a mark 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.**

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

**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.**

# **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.

*Recall:*

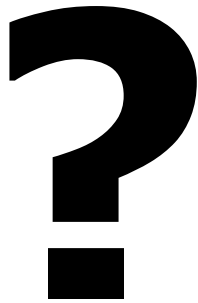
*political* © *v. commercial* ® *free speech* ;  
especially *content regulation*.

**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 cybersquatters;  
but, **not mere niche** and need **actual damages**.

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

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

**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.**

**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**

*(i.e., dormant Commerce Clause),*

**where States are implicitly preempted,**

**a residue of federal trade secret power exists**

**(e.g., on the Space Lab).**

**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, 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.***

**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.*



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

**Law ≠ Ethics ≠ Law**