

Lewis' UNO MBA class and 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
employEE creators
parody
preemption
reverse engineering
subject matter

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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.

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 since trade secrets are not exclusive and are not 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.

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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 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
copyrights via the Behn Convention, starting in 1886 see, ipmall.info

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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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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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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 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

physical phenomena

abstract ideas

printed

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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 rule for patents

is the opposite of the copyright rule

and

is 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.**

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 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**.

The originality required for copyright's "original" is far less than the originality 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.
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?*
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, a principal is not the author:
the **independent contractor** is the "author",
unless there is a **signed contract** prior to creation.

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

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 the 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 use after defeat the use is fair use

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TRADEMARKS

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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.

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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

LIKELIHOOD OF CONFUSION

as to the source are **not permitted**.
Focus on the consumer.

*Recall: content regulation:
political versus commercial free speech.*

In 1999, Congress adopted an **anti-dilution** act
for **famous** trademarks and to stop cybersquaters;
but, no niche famous and need actual damages.

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

NOTE: *Trademark parody rule is the reverse of the
copyright parody rule (i.e., whose free speech?).*

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** (**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.

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

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