

Lewis' UNO MBA class and UNO EMBA class  
guest lecture on

### Intellectual Property Law

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**Michael J. O'Hara, J.D., Ph.D.**

(402) 554 - 2823

mohara@mail.unomaha.edu

homepage

<http://cba.unomaha.edu/faculty/mohara/web/ohara.htm>

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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.

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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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### 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.

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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 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, [ipmall.info](http://ipmall.info)

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## PATENTS

### 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.

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

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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**.

The originality required for copyright's "original" is far less than the originality 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.  
*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?*  
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, 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.**

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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 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

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.

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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

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**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 cybersquatters; 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?).*

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**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.

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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 (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., 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.

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**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.*

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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.

NOTE:

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

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