Intellectual Property (IP) Overview

POWERS
INTELLECTUAL PROPERTY LAW

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Please note: This presentation, both the written materials and the oral communications delivered to the Pittsburgh Inventor's Club on April 29, 2021, are intended to keep readers current on matters affecting Intellectual Property and are not intended to be legal advice.

Types of IP

Patents – utility (protect an invention's function), design (protect appearance), and plant

Trademarks – protect source of origin – Nike swoosh tells you where certain sporting goods come from

Copyrights – protect expression – lyrics or melody of a song, paintings, computer code, text in a book, etc.

Trade Secret – put in place measures to keep proprietary information secret (e.g., treat it like a secret – use extra passwords, NDAs, keep journals of who had access to secret and when), and if it is misappropriated, seek recourse in court

Patents – 1 (Background)

Personal and Real Property has backing of court (e.g., judges, prosecutors and cops will help you secure it) – not IP – for the most part you're on your own

Patents are protections that cost money to procure *and* even more money to enforce

Should not be used for low value inventions (Why spend 25k to procure a utility patent for a 50k invention?) - must make cost benefit analysis

However, for high value inventions (e.g., >~150k), procuring and enforcing patents is a very sensible way to guard market share that you as the inventor created – Do you spend money on a security system for your home?

Patents – 2 (Important considerations)

Patent Searching – good to have a sense ahead of time how new your invention really is – if you discover it's not new, you'll have saved a lot of time / money

First-inventor-to-file …… FILE EARLY

35 U.S.C. 102 – Public disclosure, sale, or offer for sale as bar to procuring patent in US after one year from date of disclosure, sale, or offer for sale….in other countries potentially an outright bar with no grace period

Provisional Patent Application – NOT A PATENT – GIVES YOU NO PROTECTION on your technology…..ONLY gives you a filing date. However, this filing date can be very useful, especially in the event that you may be disclosing, have already disclosed, or are worried about a competitor filing before you….also, provisional must ENABLE (e.g., teach) any claims that ultimately issue – if it doesn't, the provisional likely won't help you

Patents – 3 (Basic Requirements)

35 U.S.C. 101 (patent eligible) / 102 (novel) / 103 (nonobvious) / 112 (formality requirements) – ALL FOUR MUST BE SATISFIED in order for a patent to be granted

101 – subject matter of patent must be one of CAMP – Composition, Article of Manufacture, Machine, or Process...CANNOT be a mathematical formula, law of nature, algorithm, or abstract idea (this last one is problematic for many software innovations – simple data manipulation can be difficult to patent if a computer/machine is not somehow improved)

102 – your invention has to be NEW – cannot already be out there

103 – in addition to being new in general, your invention has to also be a *certain amount* new – it cannot *just* be new. This is called obviousness. Your invention cannot be obvious – this is difficult to assess.

112 – your patent application has to be in a very particular format. Using the word "the" in one area (e.g., the claims) of the application instead of the word "a" can draw a rejection. Engaging a patent attorney rather than going pro se can prove wise.

Patents – 4 (Time / Money)

- Procuring a utility patent can take between 14 months and 5 or more years, depending on: a) breadth of protection sought; b) patent examiner assigned to case; c) quality of drafting (e.g., sloppy drafting of the application can lengthen the time); d) prior art (e.g., existing technology) out there – if there is strong art, getting the patent will be more difficult; e) RCE / appeals required – e.g., how many times do you continually request the Examiner or Appeal Board's reconsideration
- Examination can be expedited significantly (e.g., called Track I Prioritized Examination) via payment of a fee ($2k for a small entity) – can be completed in 6 months – 1 year.
- Utility patents generally cost between $18-30k all in, throughout the 20 year life of a patent (including maintenance fees), regardless of the attorney chosen to represent, although sometimes a higher premium is worth it.

Patents – 5 (Designs)

- Protect appearance, or shape, of invention
- Cost significantly less and take significantly shorter time to procure – good option to supplement utility patent protection or to have if utility patent protection is too expensive – designs do pack a punch
- No maintenance fees
- Last only 14 years

Patents – 6 (Enforcement)

Simply having a patent does not guarantee infringers will stop infringing – sometimes you have to pull the trigger, which can be costly

If an alleged infringer wants to fight back, they will almost certainly say: a) that your patent is invalid; and b) that even if it is valid, it is not being infringed.

Although your issued patent is presumed to be valid (e.g., due to a USPTO Examiner allowing it), when an alleged infringer attempts to invalidate it, they will fight against its validity exponentially harder than the patent examiner who allowed it – lesson - GET A GOOD PATENT WITH LAYERED PROTECTION THAT CAN WITHSTAND THIS ONSLAUGHT – HOLD YOUR ATTORNEY TO A HIGH STANDARD WITH RESPECT TO THE CLAIMS HE OR SHE HAS DRAFTED FOR YOU. IF THOSE CLAIMS FAIL, YOUR PATENT IS MOSTLY WORTHLESS.

Trademarks - 1 (Basics)

Source identifiers – McDonald's arches, Nike swoosh, Amazon "a"

Other source identifiers - words, phrases ("Just do it!"), logos, pictorial representations, combinations of any of the aforementioned ("Just do it!" with swoosh), the shape of a container or packaging (coke bottle), colors, scents, sounds (McDonald's jingle), or domain names

Distinguish goods and services from those of another – you know where Nike basketballs come from because of the swoosh on them

Good to use when your business operations cross state lines

Prevent integrity of marketplace from being compromised – make it easy for customers to know where goods and services come from – e.g., cannot open hamburger place with light orange arches next to a McDonald's – this is confusing to customers and would ruin good will McDonald's has built up

Trademarks – 2 (In practice)

In order to qualify for a trademark, the symbol must be distinctive, and must be used in commerce – the best marks are those that are "fanciful and arbitrary" (e.g., apple for computers) as opposed to those that are "descriptive and generic" (e.g., Tom's Burgers, where Tom is selling burgers)

Cannot be a "likelihood of confusion" between your mark and another for certain goods or services involved (one company called Strataz and another company called Stratace that both sell baseball bats would likely have a "likelihood of confusion because the marks sound very similar and the goods are the same) – also, two identical marks can exist for different G's/S's

Need to be renewed every ten years, but as long as there is use, they can last perpetually

Can file an in-use application or intent-to-use application…eventually, you will have to show use of the mark

Generally take between 8-10 months from the time an application is filed to get an Office Action

Wise to do trademark clearance search up front – TESS at USPTO good place to start

Less difficult to procure than patents, though still not easy – before 2017-2018, trademarks were granted with relative ease…..now, due to suspicions of fraud by USPTO, trademarks are seeing increased resistance on the path toward issuance

Trademarks – 3 (In practice continued)

Even without federally registering a mark, common law rights can exist if a mark is used in commerce with G's / S's. However, these rights are territorial (e.g., if you are only using your mark to sell beer in one county, someone else can use the same mark in another county to sell beer) and only be enforced in state court. Federal registration with USPTO gives you the entire country and Fed. Courts

Usage of a mark must be in good faith – sham usages, where a mark owner isn't truly using a mark, are not permitted

Trademarks – 4 (used in place of patents)

If a patent cannot be procured (e.g., Examiner and Appeal Boards won't back down, you publicly disclosed or sold your invention over a year ago, or it's too expensive), trademark registration can offer a less expensive protection. Specifically, though you could not stop someone from making, using, or selling your tech., you could build up good will under your mark with the tech. such that if your competitors tried to capture that market share with a similar mark, you could stop them, even if you did not have a patent.

Copyrights – Basics

Allow its owner the exclusive right to make copies of a creative work

Examples of copyrightable subject matter include (1) literary works; (2) musical works, including any accompanying words; (3) dramatic works, including any accompanying music; (4) pantomimes and choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion pictures and other audiovisual works; (7) sound recordings; and (8) architectural works.

Exist moment expression is fixed in tangible form (e.g., moment song is recorded) – BUT – still get registration – you will need it to maximize recovery in copyright litigation – VERY quick and easy to get

Copyrights last a long time – sometimes life of author plus 70 years

Questions?