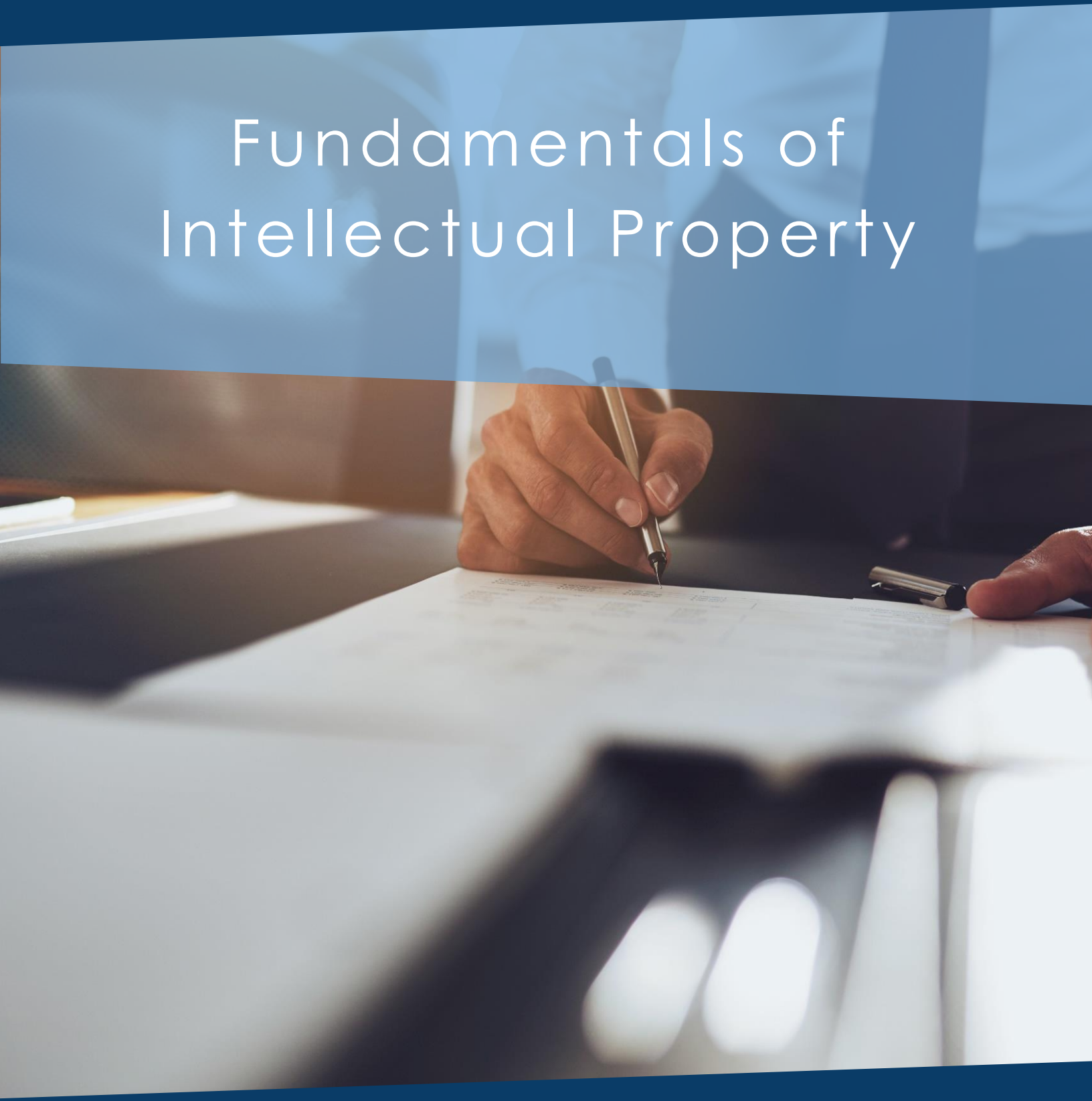
AVASANT

Fundamentals of Intellectual Property



GET CONNECTED

www.Avasant.com

What is Intellectual Property?

Intellectual property is a broad term for the legal protection of creations, inventions, products or processes that originate from a person's mind. Generally speaking, intellectual property falls into one of four distinct categories: patents, trademarks, copyrights, and trade secrets. Intellectual property that can be protected includes inventions (patent), symbols and words that indicate the source of a product or service (trademark), creative works of art such as a painting, musical composition, or movie script (copyright), or secret business information that provides an advantage over competitors (e.g., formulas) (trade secret). National and local governments around the world—including the individual U.S. states and the federal government—have their own sets of laws and rules to protect intellectual property. With the exception of trade secrets, an individual or company can register with the appropriate governmental authority to protect its intellectual property rights.

Types of Intellectual Property

Patent

Under US law, a patent is an exclusive right granted by the US Government (issued through the US Patent and Trademark Office (USPTO)) to make, use or sell an approved invention, product, process, or an improvement on such items. It is, in effect, a legal monopoly granted for a limited period of time (generally 20 years) to exclude anyone else from using or commercially exploiting rights covered by the approved patent. In the United States, only the Federal Government (USPTO) can issue a patent.

The USPTO issues patents for inventions, products, processes or improvements that are new, useful, and 'non-obvious'. An invention is obvious if a person of ordinary skill in the relevant industry would have been able to conceive of the invention with only a slight modification to the prior art without any special insight or ingenuity. To obtain a U.S. patent, the US government requires the inventor files a patent application with the USPTO, which then assigns the application to a trained patent examiner to determine whether the idea is patentable. A patent application is simply a detailed written description, usually accompanied by drawings and diagrams, that explains the invention. Once the patent is approved or issued, the clock starts on the patent dating back to the patent application filing date.

This grant of exclusive rights that is the essence of a US Patent is intended to encourage inventors to disclose their inventions and new technologies in exchange for a time-limited monopoly on commercial exploitation and use. Once the patent expires, the technology covered by the patent becomes a part of the public domain and is essentially free to use by the public. This is a trade-off between inventors and the public—inventors get to exclude others from using the patented technology in return for disclosing the technology to the world so the public can learn and improve on the idea.

Trademark

A trademark identifies the source of a product that is used in commerce. A service mark is a type of trademark, which is used to identify services that are used in commerce. They exist to identify the source of goods or services, allow owners to protect their goodwill in their products or services and as a marketing or advertising device, prevent consumer confusion and allow consumers to have confidence in the quality and origin of a product or service when making a purchase. Generally, a trademark is a symbol, words, or a combination of symbols and words, but can also be shapes, sounds, fragrances and colors. In the U.S., a trademark can be issued by the federal government, a state government, or can exist without filing an application if the trademark satisfies certain conditions. Three keys to obtaining a trademark include:

- Providing a good or service in the market place. Trademarks and service marks cannot validly exist unless there is a connection to a commercial activity.
- Selecting a trademark or service mark that is distinctive, and is not a generic or descriptive term for the particular good or service.
- Avoiding a trademark that is confusingly similar to, or 'dilutes' the value of, another trademark or service mark for similar goods or services.

Generally speaking, the strongest trademarks and service marks are those that are arbitrary (e.g., "Apple" for consumer electronics), made-up or fanciful (e.g., "Xerox" is a made-up word), or suggestive of the goods or service (e.g., it takes some imagination to connect the name "YouTube" with a self-publishing video website). Once a trademark or service mark is obtained, it has to be maintained through continuous commercial use, periodic reaffirmations to the USPTO of the same, and aggressive defense against competing marks, which may 'dilute' the brand value of the trademark or service mark.

Copyright

A copyright protects the original creative works of authors and artists, which are fixed in a tangible medium of expression (e.g., a book, manuscript, video or audio file). Copyright protection is a means to promote the creative arts by giving an author (or authors) exclusive rights to use and distribute the covered works for a period of time from the date of creation (under US law this is typically the duration of the author's lifetime + 70 years). Creative works can include literature, music, dramatic works, pictures, graphic art, sculptures, audiovisual works, sound recordings, and architecture. Notably, ideas are not copyrightable, as the original idea must be developed and reflected in a tangible medium to obtain protection. For example, a movie can have multiple copyrights because there may be multiple fixed creative works, including the written script, music (e.g., the sheet music and written lyrics), and recorded film.

Some basic rights protected by copyright include the right to reproduce, make derivative works, distribute copies, publicly perform, and publicly display. The owner of the copyright can condition the license to use copyrighted works as it sees fit and can

enforce its rights in court under the US Copyright Act (or other applicable Copyright Laws, particularly those of countries that have adopted the Berne Convention for the international protection of copyrights). These rights, however, are not absolute and may be limited by fair use and other public policy factors. In the U.S. (and countries which have adopted the Berne Convention) copyrights are automatically granted to an author without registering, but registration with the U.S. Copyright Office provides additional protections, particularly with defending a copyright against infringement.

Trade Secret

A trade secret protects business information that gives a competitive economic edge because it is not generally known or easily ascertainable by competitors (e.g., formula, process, design, the 'secret sauce'). Trade secrets have no prescribed time limit, and protection can last in perpetuity so long as the information remains secret and retains value.

In the U.S., trade secrets are protected under both state and federal law. There is no single precise standard to define the scope of a trade secret, but generally speaking a trade secret is (a) information which is generally not known to the public; (b) the information, and the continued secrecy of it, provides some economic benefit to the right holder; and (c) the right holder undertakes efforts to maintain its secrecy. As opposed to the other forms of intellectual property discussed above, trade secrets are not registered with a government department. This makes sense because if a trade secret were required to be registered with the government, the information would no longer be secret. In fact, one of the major requirements to keep information as a trade secret is taking reasonable precautions to maintain secrecy. A failure to take reasonable steps to maintaining secrecy may lead to the loss of trade secret status for the information. For example, proper computer security for computers storing secret electronic information, locks on desk drawers containing secret paper files, or a non-disclosure agreement when sharing secret information in a business deal are all reasonable measures that help keep information secret.

About the Author

Dev Batta is a Senior Associate and admitted to practice law in California, Virginia, and in front of the United States Patent and Trademark Office (USPTO). Mr. Batta has over 10 years of experience as an intellectual property and technology lawyer. Prior to joining Avasant, he worked for several large law firms, including Cooley and Locke Lord. Mr. Batta has successfully prosecuted over 100 patent applications in technologies ranging from driverless vehicles, E-commerce, drones, content delivery, and Internet advertising. He also represents both plaintiffs and defendants in patent and trademark litigations and proceedings both in Federal Court and in front of the USPTO.

About Avasant Law

Avasant Law is a law firm that includes attorneys dedicated to all aspects of technology law, including technology transactions, business process sourcing, patents, trademarks, privacy, and information security.

Avasant Law has developed an integrated offering with its management consulting firm, Avasant LLC, to deliver comprehensive client solutions. Though the businesses are separated to ensure the traditional protections of a lawyer-client relationship, clients can be sure that their transactional team consists of the best-in-class attorneys, strategists, financial experts and technology experts. The family of Avasant companies provides clients with a unique matrix of resources to solve next generation challenges.

Dev Batta
Senior Associate
Email: dev.batta@avasant.com
Landline: +1 (310) 643 3030
Mobile: +1 (703) 270 8527