

Basics of Intellectual Property Law

The College of New Jersey



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Basics of Intellectual Property Law

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Basics of Intellectual Property Law

Outline

1. What is Intellectual Property?
2. Discussion of Types/Categories Intellectual Property
 - Patents
 - Trademarks / Trade Dress
 - Copyrights
 - Trade Secrets
3. Action Plan
4. Q & A



Basics of Intellectual Property Law

Intellectual Property – The Basics

What is Intellectual Property? – Part 1

- Intellectual property rights (“IP”) are legal property rights over creations of the mind, both artistic and commercial, and the corresponding fields of law.
- Under intellectual property law, owners are granted certain exclusive rights to a variety of intangible assets, such as musical, literary, and artistic works; ideas, discoveries and inventions; and words, phrases, symbols, and designs.





Basics of Intellectual Property Law

Intellectual Property – The Basics

What is Intellectual Property? – Part 2



- Common types of intellectual property include patents, trademarks, copyrights, industrial design rights, trade secrets, likeness and identity, advertising, trade dress and more.
- The majority of intellectual property rights provide creators of original works economic incentive to develop and share ideas through a form of temporary monopoly (exception – trademarks).
- United States Intellectual Property

Basics of Intellectual Property Law

Intellectual Property – The Basics

What is Intellectual Property? – Part 3

1. Patents (inventions)
2. Trademarks (marks/dress/devices)
3. Copyrights (works/creations)
4. Trade Secrets (business secrets)
5. Designs



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Intellectual Property – The Basics

What is Intellectual Property? – Part 4

Source of Patent Rights and Copyrights - U.S. Constitution

- Article I, The Legislative Branch
- Section 8, Powers of Congress
- Clause 8 (the “Copyright Clause” OR the “Patent Clause”)

The Congress shall have Power To . . .

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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Intellectual Property – The Basics

What is Intellectual Property? – Part 5

Source of Trademark Rights – Common Law

- Trademark law begins in 13th century England to protect consumers against counterfeit goods.
- In 1870's United States and England set up Trademark Departments granting trademark registrations.



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Intellectual Property – The Basics

What is Intellectual Property? – Part 6

The Source of Trademark Rights - U.S. Constitution

- Article I, The Legislative Branch
- Section 8, Powers of Congress
- Clause 3 (the “Commerce Clause”)

The Congress shall have Power To . . .

To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;



Basics of Intellectual Property Law

Intellectual Property - Patents

What is a Patent? – Part 1

Patent – An *exclusionary* right (temporary monopoly) granted by the U.S. government through the United States Patent and Trademark Office (the “USPTO”) to inventors of new and useful inventions. A patent is a set of exclusive rights granted by a state (government) to an inventor or his assignee for a limited period of time in exchange for a disclosure of an invention.

- What is it? A Right.
- What does the Right convey? A temporary monopoly to EXCLUDE others.
- What does Patent Right cover? New and useful Inventions.
- Who owns the Patent Right? The Inventor or his/her Assignee.



Basics of Intellectual Property Law

Intellectual Property - Patents



What is a Patent? – Part 2

Rights Conveyed by a Patent:

- The right conferred by the patent grant is, in the language of the statute and of the grant itself, “the right to exclude others from making, using, offering for sale, or selling” the invention in the United States or “importing” the invention into the United States.
- What is granted is not the right to make, use, offer for sale, sell or import, but the right to exclude others from making, using, offering for sale, selling or importing the invention.
- Once a patent is issued, the patentee must enforce the patent without aid of the USPTO.



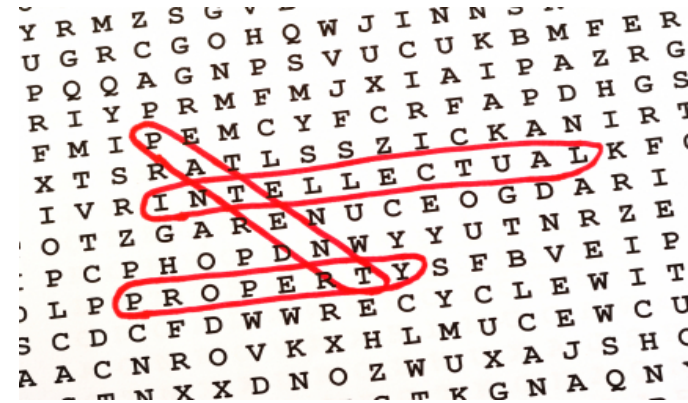
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Intellectual Property - Patents

Types of Patents

Three Types of Patents:

1. Utility patents may be granted to anyone who invents or discovers any new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof;
2. Design patents may be granted to anyone who invents a new, original, and ornamental design for an article of manufacture; and
3. Plant patents may be granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant.



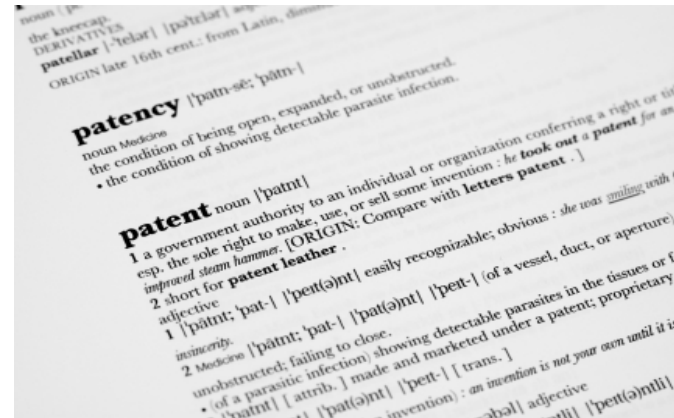
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Intellectual Property - Patents

Conditions for Patentability

- The invention must be patentable subject matter; it must be useful (UTILITY).
Section 101, 35 U.S.C. §101.
- The invention must be NOVEL. Section 102, 35 U.S.C. §102.
- The invention must be NON-OBVIOUS. Section 103, 35 U.S.C. §103.

THINK: NEW – USEFUL – NON-OBVIOUS



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Intellectual Property - Patents

Discussion Topics

- Patent Prosecution: Process, claim amendment, time.
- Patent Term: 20 years from filing date.
- Patent Litigation. Infringement defined: accused device/method must teach each and every element of at least one claim of patent.
- Patent Litigation. Defenses: non-infringement, invalidity, unenforceability (inequitable conduct by patent holder before USPTO).
- IPR. *Inter partes* review (IPR) under the America Invents Act before the Patent Trial and Appeal Board. Petitioner seeks to invalidate patent under Sections 102 and/or 103.
- CAFC. All patent appeals go to Federal Circuit Court of Appeals



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Intellectual Property - Patents

Patent Pending

Patent Marking:

- Some persons mark articles sold with the terms “Patent Applied For” or “Patent Pending.” These phrases have no legal effect, but only give information that an application for patent has been filed in the USPTO.
- The protection afforded by a patent does not start until the actual grant of the patent.
- False use of these phrases or their equivalent is prohibited.



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Intellectual Property - Trademarks

What is a Trademark? – Part 1



Trademark – A distinctive sign or indicator (“device”) used by an individual, business organization or other legal entity to identify that the products and/or services to consumers with which the trademark appears originate from a unique source, and to distinguish its products or services from those of others. A trademark is typically a name, word, phrase, logo, symbol, design, image, jingle, sound, or a combination of these elements. Trademarks are usually, but not always, identified by the symbols:

™ (not yet Registered)

® (Registered)

Basics of Intellectual Property Law

Intellectual Property - Trademarks

What is a Trademark? – Part 3

What is a Trademark or Service Mark?



- A trademark is a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs, that identifies and distinguishes the source of the goods of one party from those of others.
- A service mark is the same as a trademark, except that it identifies and distinguishes the source of a service rather than a product.
- Generally, the terms “trademark” and “mark” refer to both trademarks and service marks.
- “Registration” is the official registering of a mark in association with a defined goods or services on either the Principal or Supplemental Registers of the USPTO.

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Intellectual Property - Trademarks

Benefits of Registration – Part 1

Principal Register and Supplemental Register

- Registration under the Lanham Act can be under one of two registers, the Principal Register and the Supplemental Register.
- The Principal Register is for marks that, as of the date of registration, function as trademarks, service marks, collective marks, or certification marks and that otherwise qualify for registration, *i.e.*, the mark is in use in commerce as prescribed by the Lanham Act and the mark is not confusingly similar to that of another. 15 U.S.C. §1051, *et seq.*
- The Supplemental Register is for registration of potential marks that are capable of distinguishing the applicant's goods or services but are not inherently distinctive and have not yet acquired the necessary secondary meaning. 15 U.S.C. § 1091, *et seq.*



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Intellectual Property - Trademarks

Benefits of Registration – Part 2

Registration on either Register provides the following Benefits:

- Use of the ® symbol, “Registered in the Patent and Trademark Office,” or “Reg. U.S. Pat. & TM Off.,” etc., to denote federal registration.
- Original jurisdiction in the Federal District Courts for trademark infringement actions.
- Original jurisdiction in the Federal District Courts for claims under state common law for unfair competition when they are joined with a substantial and related claim under the Lanham Act.
- Monetary remedies as provided by the Lanham Act, including infringer’s profits, damages, and costs, and in appropriate cases, treble damages and attorney’s fees.



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Intellectual Property - Trademarks

Benefits of Registration – Part 3

CONTINUED:

- The Registration is *prima facie* evidence of the validity of the Registered mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the Registered mark.
- The Registration is proof that the mark has acquired secondary meaning.
- The Registration is constructive notice of a claim of ownership, eliminating any justification or defense of good faith adoption and use made after the Registration date.



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Intellectual Property - Trademarks

Benefits of Registration – Part 4

CONTINUED:

- The Registration becomes incontestable after five (5) years on the Principal Register upon the filing of the appropriate affidavit or declaration of continuous use and, thus, becomes conclusive evidence of the registrant's exclusive right to use the mark, subject to certain statutory defenses.
- The Registration may be used as a basis to obtain registration in foreign countries; and
- The Registration may be filed with U.S. Customs Service to prevent importation of infringing foreign goods.



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Intellectual Property - Trademarks

Likelihood of Confusion – Section 2(d)



In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 1361, 177 USPQ 563, 567 (C.C.P.A. 1973). The following factors are considered by an Examining Attorney in reviewing an application for likelihood of confusion under §2(d):

- the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation, and commercial impression;
- the similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use;
- the similarity or dissimilarity of established, likely-to-continue trade channels;
- the number and nature of similar marks in use on similar goods;

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Intellectual Property - Trademarks

DuPont Factors – Part 2

Likelihood of Confusion (cont.)

- the conditions under which, and buyers to whom, sales are made, that is, “impulse” vs. careful, sophisticated purchasing;
- the fame of the prior mark (sales, advertising, length of use);
- the nature and extent of any actual confusion;
- the length of time during, and the conditions under which, there has been concurrent use without evidence of actual confusion; and
- the variety of goods on which a mark is or is not used (house mark, “family” mark, product mark)



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Intellectual Property - Trademarks

The Trademark Symbols TM, SM and ®

Proper Trademark Symbols and When to Use Them



- Any time you claim rights in a mark, you may use the “TM” (trademark) or “SM” (service mark) designation to alert the public to your claim, regardless of whether you have filed an application with the USPTO.
- REMEMBER, rights only accrue with usage. You cannot use TM or SM on a mark that is not in use.
- You may use the federal registration symbol ® only after the USPTO actually *registers a mark*, and not while an application is pending.
- Also, you may use the registration symbol with the mark only on or in connection with the goods and/or services listed in the federal trademark registration.

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Intellectual Property - Trademarks

Types of Marks, Devices and Distinctiveness



- A device (such as a word or a logo) can only be considered a trademark or a service mark if it is distinctive.
- A distinctive device is one that is capable of distinguishing the goods or services upon which it is used from the goods or services of others.
- A non-distinctive device is one that merely describes or names a characteristic or quality of the goods or services. The distinctiveness of a device can generally be categorized into one of five categories which fall along a spectrum of distinctiveness.

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Intellectual Property - Trademarks

Types of Marks, Devices and Distinctiveness – Part 2

From most distinctive to least distinctive, these categories are:

- Fanciful,
- Arbitrary,
- Suggestive,
- Descriptive (including surnames), and
- Generic



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Intellectual Property - Trademarks

Types of Marks – Fanciful Marks

- Fanciful marks are devices which have been invented for the sole purpose of functioning as a trademark and have no other meaning than acting as a mark.
- Fanciful marks are considered to be the strongest type of mark.
- Highest in distinctiveness.
- Examples: EXXON, KODAK, XEROX

VERY STRONG – HIGHLY DISTINCT



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Intellectual Property - Trademarks

Types of Marks – Arbitrary Marks

- An arbitrary mark utilizes a device having a common meaning that has no relation to the goods or services being sold.
- Second highest level of distinctiveness.
- Examples of arbitrary marks include: APPLE (for computers), LOTUS (for software), SUN (for computers)

STRONG – DISTINCT



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Intellectual Property - Trademarks

Types of Marks – Suggestive Marks



- Suggestive marks are marks that suggest a quality or characteristic of the goods and services.
- Not as strong as fanciful or arbitrary marks; however, suggestive marks are far more common due to the inherent marketing advantage of tying a mark to the product in a customer's mind.
- Suggestive marks require some imagination, thought, or perception to reach a conclusion as to the nature of the goods.

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Intellectual Property - Trademarks

Types of Marks – Suggestive Marks – Part 2



- The following marks can be considered suggestive: MICROSOFT (suggestive of software for microcomputers), NETSCAPE (suggestive of software which allows traversing the “landscape” of the Internet), SILICON GRAPHICS (suggestive of graphic oriented computers).

NOT VERY STRONG – NOT ESPECIALLY DISTINCT, BUT REGISTERABLE

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Intellectual Property - Trademarks

Types of Marks – Descriptive Marks



- Descriptive marks (or more properly, “merely descriptive marks”) are devices which merely describe the services or goods on which the mark is used.
- If a device is merely descriptive, it is not a mark at all, since it does not serve to identify the source of the goods or services. No trademark rights are granted to merely descriptive marks.
- Merely descriptive marks can be registered federally on the Supplemental Register.
- Descriptive makes are often difficult to distinguish from suggestive marks.

VERY WEAK – NOT DISTINCT

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Intellectual Property - Trademarks

Types of Marks – Descriptive Marks – Part 2



- Descriptive marks may “become distinctive” by achieving secondary meaning. Secondary meaning indicates that although the mark is on its face descriptive of the goods or services, consumers recognize the mark as having a source indicating function.
- Once it can be shown that a descriptive term or phrase has achieved this “second meaning” (the first meaning being the generally understood meaning of the term or phrase), a protectable trademark is developed.
- Secondary meaning can be achieved through long term use, or large amounts of advertising and publicity. The acquisition of secondary meaning is often proven through the use of consumer surveys, that show that consumers recognize the mark as a brand.

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Intellectual Property - Trademarks



Generic Devices - Marks NOT!

- Generic “marks” are devices which actually name a product and are incapable of functioning as a trademark. Unlike descriptive marks, generic devices will not become a trademark even if they are advertised so heavily that secondary meaning can be proven in the mind of consumers.
- The rationale for creating the category of generic marks is that no manufacturer or service provider should be given exclusive right to use words that generically identify a product.
- The following words and phrases can be considered generic and therefore are incapable of functioning as a trademark: E-MAIL (for email), MILK (for milk), AUTO (for autos), DESK (for desks).

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Intellectual Property - Trademarks

Basis for Trademark Application

- Section 1(a): Actual use in commerce, 15 U.S.C. §1051(a);
- Section 1(b): *Bona fide* intent to use in commerce, 15 U.S.C. §1051(b);
- Section 44: Foreign registration, 15 U.S.C. §1126.

“Commerce” is defined as “all commerce which may lawfully be regulated by Congress.” 15 U.S.C. §1127.



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Intellectual Property - Trademarks

“Intent to Use” Based Application, Section 1(b)



“ITU” – Part 1:

- If actual use has not commenced at the time of filing an application to register a trademark, service mark, collective mark, or certification mark, the application may be based on a *bona fide* intent to use the mark.
- 37 CFR §2.21(a)(5) requires that intent to use applications under Section 1(b) include a “claim of a bona fide intention to use the mark in commerce” to receive a filing date.
- Applications sworn to under oath.

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Intellectual Property - Trademarks

“Intent to Use” Based Application, Section 1(b)

“ITU” – Part 2:



- Actual use of the mark must commence before the USPTO will register the mark. Rather than receiving a Registration, the USPTO issues a “Notice of Allowance.”
- Use commenced during the application period entitles the filing of an AAU or “Amendment to Allege Use,” which converts the application from §1(b) to §1(a).
- Use after the N/A has been issued requires the filing of an SOU or “Statement of Use.”

Basics of Intellectual Property Law

Intellectual Property - Copyrights

What is a Copyright? – Part 1

Copyright - Legal, exclusive right granted to the creator of an original work for a certain time period in relation to that work, including its publication, distribution and adaptation; after which time the work is enters the public domain. Copyright applies to any expressible form of an idea or information that is substantive and discrete and fixed in a medium. Works under which copyright protection is claimed are usually designated (but not always) by the symbol:





Basics of Intellectual Property Law

Intellectual Property - Copyrights

What is a Copyright? – Part 2

Examples of Copyright Works:

Copyright may apply to a wide range of creative, intellectual, scientific, or artistic forms, or “works,” which include, but are not limited to (by any means), poems, theses, plays, other literary works (books, novels, magazines, newspapers, newsletters), movies, dances, musical compositions (in any form, on any media), audio recordings, paintings, drawings, sculptures, photographs, video, software, radio and television broadcasts, and, of course (now), the Internet (web sites, webinars, web transmissions, streaming audio and video and more).





Intellectual Property - Copyrights

Rights of the Copyright Holder – Part 1

Rights – Part 1

Section 106 of the 1976 Copyright Act generally gives the owner of copyright the exclusive right to do and to authorize others to do the following:

- To **REPRODUCE** the work in **COPIES** or phonorecords;
- To prepare **DERIVATIVE WORKS** based upon the work;
- To **DISTRIBUTE** copies or phonorecords of the work to the public by sale or other **TRANSFER** of ownership, or by rental, lease, or lending;



Basics of Intellectual Property Law

Intellectual Property - Copyrights

Rights of the Copyright Holder – Part 2

Rights – Part 2 (cont.)

- To **PERFORM** the work publicly, in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works;
- To **DISPLAY** the work publicly, in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work; and
- In the case of sound recordings, to perform the work publicly by means of a digital audio transmission.



Basics of Intellectual Property Law

Intellectual Property - Copyrights

Who Can Claim the Copyright?

- Copyright protection subsists from the time the work is created in fixed form.
- The copyright in the work of authorship immediately becomes the property of the author who created the work.
- Only the author or those deriving their rights through the author can rightfully claim copyright.
- In the case of “works made for hire,” the employer and not the employee or independent contractor is considered to be the author.



Basics of Intellectual Property Law

Intellectual Property - Copyrights

What Is Not Protected by Copyright?

Several categories of material are generally not eligible for federal copyright protection. These include among others:

- Works that have **NOT** been fixed in a tangible form of expression (for example, choreographic works that have not been notated or recorded, or improvisational speeches or performances that have not been written or recorded). [SONGS IN THE HEAD]
- Titles, names, short phrases, and slogans; familiar symbols or designs; mere variations of typographic ornamentation, lettering, or coloring; mere listings of ingredients or contents. [TRADEMARKS, ETC.]



Basics of Intellectual Property Law

Intellectual Property - Copyrights

What Is Not Protected by Copyright? (cont.)

- Ideas, procedures, methods, systems, processes, concepts, principles, discoveries, or devices, as distinguished from a description, explanation, or illustration. [IDEAS]
- Works consisting entirely of information that is common property and containing no original authorship (for example: standard calendars, height and weight charts, tape measures and rulers, and lists or tables taken from public documents or other common sources). [COMMON INFORMATION]



Basics of Intellectual Property Law

Intellectual Property - Copyrights



Copyright Notice

The use of a copyright notice is no longer required under U. S. law, although it is often beneficial.

- Use of the notice may be important because it informs the public that the work is protected by copyright, identifies the copyright owner, and shows the year of first publication.
- In the event that a work is infringed, if a proper notice of copyright appears on the published copy or copies to which a defendant in a copyright infringement suit had access, then no weight shall be given to such a defendant's interposition of a defense based on innocent infringement in mitigation of actual or statutory damages.
- The use of the copyright notice is the responsibility of the copyright owner.

Basics of Intellectual Property Law

Intellectual Property - Copyrights

Copyright Notice – Part 2

The notice for visually perceptible copies should contain ALL of the following three elements:

- The symbol © (the letter C in a circle), or the word “Copyright,” or the abbreviation “Copr.”;
- The year of first publication of the work. In the case of compilations or derivative works incorporating previously published material, the year date of first publication of the compilation or derivative work is sufficient.
- The name of the owner of copyright in the work, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner.

Example: © Copyright 2022 Fusion Research Strategies Corp.



Basics of Intellectual Property Law

Intellectual Property - Copyrights

Fair Use of Copyright Material – Part 1



Fair Use – What is it?

- In essence, “fair use” is a limitation on the exclusive rights of copyright holders.
- The Copyright Act gives copyright holders the exclusive right to, among other things, reproduce works for a limited time period. Fair use is a limitation on this right.
- A use which is considered “fair” does not infringe the copyright, even if it involves one of the exclusive rights of copyright holders.

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Intellectual Property - Copyrights

Fair Use of Copyright Material – Part 2

Fair Use – Section 107 of the Copyright Act

The “fair use” of a copyrighted work, including such use by reproduction in copies or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright.

In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include:



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Intellectual Property - Copyrights

Fair Use of Copyright Material – Part 3

Fair Use – Section 107 (cont.)

- the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- the nature of the copyrighted work;
- the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.



Basics of Intellectual Property Law

Intellectual Property - Copyrights

Copyright Registration - Benefits

Even though registration is not a requirement for protection, Copyright law provides several inducements or advantages to encourage copyright owners to make registration. Among these advantages are the following:

- Registration establishes a public record of the copyright claim.
- Before an infringement suit may be filed in court, registration is necessary for works of U.S. origin.
- If made before or within five years of publication, registration will establish prima facie evidence in court of the validity of the copyright and of the facts stated in the certificate.



Basics of Intellectual Property Law

Intellectual Property - Copyrights

Copyright Registration – Benefits (cont.)

- If registration is made within three months after publication of the work or prior to an infringement of the work, statutory damages and attorney's fees will be available to the copyright owner in court actions. Otherwise, only an award of actual damages and profits is available to the copyright owner.
- Statutory damages. 17 U.S.C. § 504. The basic level of damages is between \$750 and \$30,000 per work, at the discretion of the court. Plaintiffs who can show willful infringement may be entitled to damages up to \$150,000 per work.
- Registration allows the owner of the copyright to record the registration with the U.S. Customs Service for protection against the importation of infringing copies.



Basics of Intellectual Property Law

Intellectual Property - Trade Secrets

What is a “Trade Secret” – Part 1



A Trade Secret is a critical, proprietary and commercially advantageous piece of business information that *must* be kept secret in order for the business to maintain its commercial advantage over its competitors. Losing secrecy status may not only adversely impact that commercial advantage; it could effectively destroy the business (**Think: Recipe for for Coca-Cola®**).

Trade Secrets are the opposite of patents; rather than making a full disclosure of the IP to obtain the protection, the IP **MUST** be kept secret to obtain and maintain the protection.

Basics of Intellectual Property Law

Intellectual Property - Trade Secrets

What is a “Trade Secret” – Part 2



Section 1 of the Uniform Trade Secrets Act defines a “trade secret” as:

“information, including a formula, pattern, compilation, program, device, method, technique, or process, that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being ascertainable by proper means by, other persons who can obtain economic value from its disclosure of use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.”

Basics of Intellectual Property Law

Intellectual Property - Trade Secrets

Federal Defend Trade Secrets Act of 2016

- Signed into law on May 11, 2016 by President Obama.
- Nation's first comprehensive federal trade secrets law.
- Treats trade secrets on par at the federal level with other intellectual property.
- Provides a complimentary adjunct to related federal causes of action for intellectual property infringement and creates a uniform system for the development of more consistent interpretation and application of trade secret law.
- Allows claimants to pursue trade secret misappropriation claims under well-established federal rules of procedure and evidence on a national basis.



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Intellectual Property - Trade Secrets

Federal Defend Trade Secrets Act of 2016

Important features of the DTSA include:

1. Expands the Economic Espionage Act.
2. Only a trade secret owner may bring a civil action for misappropriation.
3. Three (3) year statute of limitations for bringing a claim of trade secret misappropriation.
4. *Ex parte* seizures may only be instituted in “extraordinary circumstances.”
5. Injunctions relating to employment are limited to ensure that court orders are not contrary to applicable state laws.



Basics of Intellectual Property Law

Intellectual Property - Trade Secrets

What is a “Trade Secret” – Summary



Trade secrets include IP that: a) derives independent economic value from the fact that it is not generally known, b) is reasonably ascertainable by proper means, and c) is the subject of reasonable security precautions.

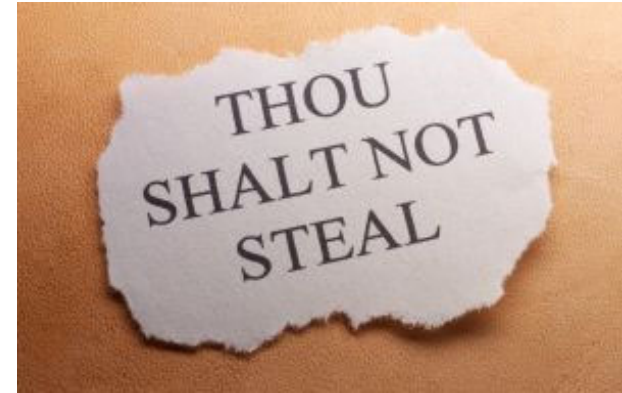
Trade secrets generally comprise formulas, devices, recipes, methods, concepts, processes, techniques, etc. In the Internet context, this includes IP such as customer lists, email lists, algorithms, methods/business methods, processes, web analytics, SEO techniques, web traffic processes, etc.

Basics of Intellectual Property Law

Intellectual Property - Trade Secrets

Misappropriation of Trade Secrets

- Trade Secret liability regarding the Internet typically involves the posting or other dissemination of valuable Trade Secrets.
- Courts will enforce/protect Trade Secrets in instances of “misappropriation.” Misappropriation is generally defined as: a) the existence of a Trade Secret, b) the acquisition of a Trade Secret as a result of an illegal act or a confidential relationship, and c) unauthorized use of the Secret.
- Independent creation and reverse engineering do not constitute misappropriation.



Basics of Intellectual Property Law

Intellectual Property - Trade Secrets

Protecting Trade Secrets – Part 1



To qualify for Trade Secret protection, the owner of the information needs to maintain reasonable precautions to keep the information secret. Such precautions include, but are not limited to, the following:

- Marking information as confidential;
- Nondisclosure agreements;
- Restricting distribution; and
- Immediately recover unauthorized distribution.

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Intellectual Property - Trade Secrets

Protecting Trade Secrets – Part 2



All businesses should require employees to sign: a) NDAs or Confidentiality Agreements, b) Assignments, and c) Non-Compete Agreements. In addition, a company's interview process of prospective employees should inquire about Trade Secret obligations, confidentiality agreements, non-disclosure agreements, etc.

Tewari De-Ox Systems, Inc. v. Mountain States/Rosen, LLC, No. 10-50137, April 5, 2011 (Prado, E.) (Trade Secret in a published patent application destroys all legal protections to that Trade Secret).

Basics of Intellectual Property Law

Intellectual Property - Trade Dress



What is a “Trade Dress”

- Trade dress is a legal term of art that generally refers to characteristics of the visual appearance of a product or its packaging (or even the design of a building) that signify the source of the product to consumers.
- Describes a product’s distinctive design, packaging, color or other appearance which makes it unique from other products or goods. Trade dress of a particular product or good is protected under trademark law.
- The image and overall appearance of a product, subject to the same protection as trademark.
- *Cannot be functional*

Basics of Intellectual Property Law

Intellectual Property - Trade Dress

Infringement of “Trade Dress”



The test to establish Trade Dress infringement requires that the Plaintiff prove:

1. The Trade Dress at issue is distinctive and thus indicates the source of the Plaintiff's goods;
2. The Trade Dress is primarily non-functional; and
3. The Trade Dress of the competing goods is confusingly similar.

Lanham Act Section 43(a), 15 U.S.C. 1125(a)

Basics of Intellectual Property Law

Intellectual Property Action Plan

Step One: Take Inventory

- **Identify your Intellectual Property**
- **What do you have? Consider any and everything: inventions, designs, copyright works, business plans, proprietary and financial information, customer and clients lists, trademarks and service marks, secret and confidential information (trade secrets).**
- **Who created it? Who has access to it? Where is it located?**



Basics of Intellectual Property Law

Intellectual Property Action Plan

Step Two: Decide How to Protect



- Should it be registered (and therefore made public) or should it be kept secret?
- Is the business's rights in the Intellectual Property secured and perfected?
Where did it originate? Who created it? Who has access to it?
- How will it be used? Will it be provided to third parties for business purposes, *e.g.*, consultants, potential clients/customers, joint venture partners, etc.?
- Engage the proper professional to advise and assist.

Basics of Intellectual Property Law

Intellectual Property Action Plan

Step Three: Execute Internal Protections



- Assignments with ALL employees and consultants. Business should own everything – ALL intellectual property created within scope of employment or consultancy AND/OR on premises or with company resources.
- Non-Disclosure Agreements (NDAs) or Confidentiality Agreements with all employees, consultants, customers, clients or any third party who may have access to confidential and proprietary information.
- Employment/Consultant Agreements – Non-Compete arrangements.

Basics of Intellectual Property Law

Intellectual Property Action Plan

Step Four: Continued Internal Protections



- **Limit Access! Encrypt/isolate sensitive data and information.**
- **Implement rigorous and robust protective measures for Trade Secrets.**
- **Disable USB access to data and information.**
- **Internet/cyber security protections.**
- **In the event of breach or misappropriation (even if inadvertent), take immediate measures to retrieve data/information.**

Basics of Intellectual Property Law

Intellectual Property Action Plan

Step Five: Perfect Rights with Registrations



- **Register Trademarks and Service Marks.** If you wouldn't want a competitor using the mark, then it is important to register.
- **Register critical copyright works.** Consider what is important – manuals, website content, software code, advertisements, etc.
- **Seek patent protection for utility inventions.** Consider design patents for product designs.
- **Consider registration for trade dress designs.**



Basics of Intellectual Property Law

Intellectual Property Action Plan

Step Six: Exercise Vigilance!



- **Remain Vigilant!** Be proactive – monitor Internet, industry, trade shows, etc.
- Failure to take timely enforcement action in the event of misappropriation, theft, breach or infringement may result in loss of rights or hamper ability to seek immediate equitable relief from the courts if legal action is necessary.
- Appropriate “cease and desist” letter from legal counsel is often effective to resolve most issues.

Basics of Intellectual Property Law

The College of New Jersey

THANK YOU!

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