

OUTLINE:
BASIC INTRODUCTION TO
INTELLECTUAL PROPERTY PROTECTION

© 2011 By Constance R. Barnhart

I. Basics of Intellectual Property Protection in the U.S.

A. Patents

1. U.S. Patents are granted upon application to United States Patent and Trademark Office ("PTO"), for new, useful, and non-obvious inventions, determined to meet the statutory criteria, after examination, by U.S. PTO.

A U.S. Patent grants to patent owner the exclusive right to practice his invention, to manufacture, use and sell goods thereunder, and to exclude others (or license such rights, in whole or in part, to others for compensation). Under current U.S. law, patents are granted for a period of 20 years from date of application (Was 17 years from the date the patent is issued under previous law).

2. In the U.S., there is no Common Law or State patent protection -- Protection of Federally Registered patents derives from the U.S. Constitution -- Article I, Section 8, Clause 8:

"The Congress shall have 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;"

Federal Patent Act of 1952, 35 U.S.C. §§ 1 et seq., passed by Congress pursuant to the above Constitutional authority, delineates patent rights in the U.S.

3. A Patent protects, and grants exclusive rights in, the actual invention -- the idea itself - - and all expressions thereof, as opposed to Copyright, which protects only a particular expression of an idea. (This is why owners of computer software increasingly seek patent protection, rather than copyright protection. Copyright protection does not prevent "reverse engineering" to discover, copy and re-write source code, altering its expression slightly, but using the idea of the copyrighted code to perform the same function.)

4. The Patent application process is highly technical. A Patent Attorney, specially licensed before the PTO, is required to prosecute a patent application.
5. Until passage of the new *America Invents Act*, which was signed into law by President Obama on September 16, 2011, U.S. Patent law had differed from patents granted in most of the rest of the world as follows: U.S. Patents had been granted to the first to invent, meaning that if a U.S. Patent were issued it could still be challenged in court and defeated by someone who could prove that he or she invented the subject matter of the patent before the filer who received the patent. Most of the rest of the world grants patents to the first to file for patent protection on a particular invention.

Under the new *America Invents Act*, the U.S. will move to a “first to file” system, effective on March 16, 2013, 18 months after the new law was signed by the President. The *America Invents Act* also makes many other significant changes to the U.S. patent system, and has been called by the PTO “the most comprehensive overhaul to our nation’s patent system since 1836.”

For more information on the *America Invents Act*, see our article of September 18, 2011, entitled, “President Obama Signs Into Law Most Comprehensive Patent Reform Act in 175 Years.”

6. Patent holder or applicant can license for compensation some or all of the rights to "manufacture, use and sell" under a Patent or pending patent application.
7. For further basic information on U.S. Patents, see the website of the [United States Patent & Trademark Office \(PTO\)](#). See also the information provided by the PTO on [the America Invents Act and its Implementation](#).

B. Copyright

1. Copyright protects any original fixed, tangible expression of an idea, not the idea itself (see distinction from patent protection, described above). Under Section 106 of the 1976 Copyright Act, copyright protection grants to the original author (or to the Employer or person or entity commissioning a "Work Made For Hire") of an expression or work, the exclusive rights to:
 - a. reproduce the work in copies
 - b. prepare derivative works
 - c. publicly distribute copies of the work by sale or license
 - d. publicly perform works meant for public performance (E.g. plays, musical compositions)
 - e. publicly display of works meant for public display (E.g. pictures, sculptures)
 - f. publicly perform sound recordings, by means of digital audio transmission.
2. Federal Copyright Registration, under the Copyright Law of The United States, derives from the U.S. Constitution, Article I, Section 8, Clause 8 (quoted above).

3. Copyright protection, like patents, is exclusively governed by federal statute, and the States are prohibited from granting protection that conflicts with the federal law. Federal common law of copyright protection has evolved.
4. Under [chapter 3](#) of the Copyright Act (title 17 of the *United States Code*), as amended, generally works created after January 1, 1978 are protected for the author's life plus 70 years, or if the author's life is not known, then for the shorter of 95 years from publication or 120 years from creation.
5. An original expression by an author is protected by copyright (the author owns the six exclusive rights listed above), whether or not it is registered. Public notice of the claim of copyright (with the ©, the year of publication and the author's name) is advisable, but not legally required to claim copyright protection.

Registration, though not required for legal protection, is required to bring suit in federal court, and does grant to the registrant a presumption (prima facie evidence) of ownership, shifting the burden of proof to an opposing claimant. Prior registration is also necessary to obtain statutory damages and attorney's fees in an action for infringement.

6. U.S. Copyright protection differs from copyright protection granted in many other countries, as follows: U.S. Copyright protection is accorded to the original author, the first to render the tangible expression involved; if U.S. Copyright registration is granted it may still be challenged and defeated by someone who can prove that he or she actually authored the exact expression involved before the filer who registered the copyright. Many other countries grant copyright protection to the first to file for copyright protection on a particular expression or work.
7. Each of the six basic exclusive rights of the copyright holder can be divided almost infinitely into smaller limited parts (E.g. by geographic territory, by type of work, by printings or editions of a work, Etc.) and licensed separately (in whole or in part) by the holder to third parties.
8. Some exceptions to Exclusive use Copyright protection include: E.g. Works of U.S. Government are not subject to copyright protection; "Fair Use" Doctrine (E.g. copying permitted for criticism, comment, news reporting, teaching, scholarship or research); "Parody", among others.
9. For further basic information on U.S. Copyright protection, see [Copyright Basics](#), a 12- page paper provided by the [United States Copyright Office](#).

C. Trademarks, Service Marks and Trade Names

1. A Trademark is a word or symbol that identifies a product as coming from a particular company; that is, it identifies the source of the goods. Can include trade dress (distinctive packaging or architecture of buildings).

A Service mark does the same for services.

A Tradename is a name (could be the corporate name or an assumed name) used to identify a business.

2. Unlike, Patents and Copyright, Trademark/ Service Mark protection does not derive from the U.S. Constitution. The Federal Trademark Statute, the Lanham Act, was passed by Congress on the basis that Congress has authority to regulate interstate commerce under commerce clause of the U.S. Constitution. Therefore, to qualify for Federal Trademark Registration, you have to show that you have used the Trademark/ Service mark in interstate commerce.

In addition to Federal Registration at the U.S. Patent and Trademark Office, under the Lanham Act, there is

Common Law and State Statutory protection of Trademarks/ Service marks and trade names

3. Trademark/ Service mark rights derive from being the first to use the mark in commerce, not from registration. Ownership of the exclusive right to use the mark applies only so long as the owner continues to use the mark and to police its use by others (i.e. bring infringement actions to prevent its use by others).

Ownership of a mark can be lost by abandonment, failure to use it for an extended period, or by permitted dilution by others gradually rendering the mark to be in the public domain.

It is important to put others on notice to a claim of exclusive trademark or service mark rights. If the mark is not registered, use it with a superscript "TM" (for trademark) or superscript "SM" (for service mark) after it. Only if the mark is registered, can you use the superscript "®" after it.

4. In order to obtain federal Registration of a mark:
 - a. In the application, Registrant must show actual use (or intent to use -- for an Intent to Use Registration) of the mark in interstate commerce
 - b. Mark must be found not to infringe any other existing mark (i.e. not to be sufficiently similar to an existing mark as to cause the likelihood of confusion as to the source of the goods or services). (A similar mark used for similar goods or services is more likely to cause confusion as to source than similar marks used for vastly different classes of goods or services.)
 - c. Mark must not be generic or merely descriptive of the goods; the more distinctive the mark, the stronger and more protectable it is.
 - d. Mark must not be defamatory and must otherwise satisfy the examiner at the PTO that it is registrable under the criteria set forth in the Lanham Act.
5. Registration grants a rebuttable presumption of ownership of the mark (i.e. the exclusive right to use it). Federal Registration must be renewed every 10 years, and can be renewed indefinitely, as long as you continue to use the mark.

An Affidavit of 5 years Continuous Use (known as a "Section 8 Affidavit") must be filed with the PTO within the sixth year, and before the sixth year anniversary date of the date of issuance of the registration. Failure to file this Affidavit will result in cancellation of the registration.

A combined Declaration of Continued Use and Application for Renewal under Sections 8 and 9 of the Lanham Act must be filed before the end of every 10-year period after the registration date or within the 6-month grace period thereafter. Failure to make these required filings will result in cancellation or expiration of the registration.

An Affidavit of Incontestability ("Section 15 Affidavit") can be filed within one year after completion of 5 consecutive years of use of the mark. This Affidavit is not required, but is advantageous to file. If the Affidavit meets the requirements set forth in the Lanham Act, Section 15, the registered mark becomes "incontestable", which means:

- a. Conclusive evidence of registrant's ownership and exclusive right to use the mark;
 - b. Immune from attack on the basis of prior use; and
 - c. Immune from attack on the basis of descriptiveness.
6. The right to use Trademarks and Service Marks can be licensed to others. However, to protect the owner's rights in the mark, it is extremely important to police the use by the licensee, assure it is proper and continues (especially if the owner does not intend himself to continue to use the mark), and does not extend beyond the scope of the license (or owner's rights may be diluted).
7. It is important to search and verify that a mark or trade name does not infringe or potentially dilute an existing mark or name before you begin to use a proposed mark or name. Note: A corporate name search with a Secretary of State enabling you to incorporate under a name is not enough. If the name is a trademark of someone else, you may be found to infringe. A trademark search is necessary and advisable before using the name.

If your mark or name is found to infringe another mark, you will have to cease using the mark (lose the goodwill you have built up in it), and can be liable for damages. Note: Even marks which do not strictly infringe (i.e. no likelihood of confusion as to source of the goods) may give rise to claims for "Unfair Competition," "Unjust Enrichment" or "Dilution" if they are similar enough to another mark that your use of the mark may dilute the value of another mark or result in your unjust enrichment trading off the name recognition and goodwill of the other mark (E.g. "McDental" was found to dilute "McDonald's")

8. For further basic information on Trademarks, see [Basic Facts About Trademarks](#), published by the [United States Patent and Trademark Office](#).

D. Trade Secrets

1. Protected by Common Law and State Unfair Competition and contract law. Unlike U.S. patent, copyright and trademark protection, trade secret protection does not entitle the owner to a government sanctioned monopoly of exclusive use. However, trade secrets can be a valuable and marketable form of technology, typically protected by Confidentiality provisions in Trade Secret Licensing Agreements, Employment Agreements, and other business agreements.
2. Steps to take to protect your claims to State and common law protection of your proprietary rights in trade secrets:
 - a. Conspicuously mark essential documents, "Confidential - To Be Shown Only to Authorized Persons"
 - b. Make only limited number of copies of confidential documents and safeguard them
 - c. Restrict access to secret information to only those with a need to know
 - d. Require all employees and licensees, as a condition to access to trade secrets, to sign trade secret licensing and Confidentiality Agreements prohibiting disclosures of the trade secrets by the employee or licensee
 - e. Counsel all new employees on the importance of secrecy of company trade secrets
 - f. Counsel all departing employees or licensees being terminated, on their obligation to honor their Confidentiality Agreements
3. Contractual Protection
 - a. Confidentiality provisions
 - b. Prohibit copying or retention
 - c. Provide for injunctive relief to enforce

[Continued Next Page]

II. Intellectual Property Protection Abroad

A. Separate Protection Required under the Local Laws of Each Country

1. U.S. Patent, Copyright or Trademark laws and registrations are enforceable only in the U.S., and confer no protection in a foreign country.
2. Protection in a foreign country must be obtained under that country's national laws, administrative procedures, and international treaty obligations.
3. To secure protection outside of the U.S., a company must apply for a patent or register a trademark in each country in which it will do business, on a country by country basis.
4. Enforcement of rights abroad must be accomplished through local law of the country in which enforcement is sought.
5. Important: Consult a qualified international attorney to evaluate the intellectual property laws of a potential foreign market, as well as applicable international or bi-lateral treaties, before doing business there and as soon as one contemplates doing business in a specific foreign market in the future.

Note: E.g. Some countries will not grant patent protection to an invention which has already been patented in the U.S. (on the grounds that it is deemed public information --- since the invention must be filed with the U.S. PTO and made publicly available from the PTO as a condition of receiving a U.S. Patent). Therefore, a foreign patent in such countries must be obtained before a U.S. Patent has issued.

Note: Many foreign countries grant patent, copyright and trademark protection to the first to file, rather than to the first to invent, express or use (as in the U.S.). Therefore, it is very important to file for protection early in a foreign market in which you contemplate doing business. Otherwise, you may find a foreign "pirate" of your intellectual property has filed first in that country, foreclosing you from using or licensing your intellectual property there or rendering you liable for infringement damages if you do.

B. International Treaties

1. Paris Convention for the Protection of Industrial Property (173 countries, including the U.S., are parties)
 - a. Accords to U.S. owners of Patent and Trademark rights a "right of priority" to apply for like protection in other Paris Convention countries. If such a foreign application is filed within 12 months after the first patent application in the U.S. (within 6 months for a trademark), the foreign application is accorded the same priority as to date of filing as if it had been filed on the date of the first application in the U.S.

- b. It is important to consult a qualified international attorney as to the requirements and scope of protection for intellectual property in foreign countries where protection may potentially be desired before first publication, use or registration of the intellectual property in the U.S. or anywhere else.
6. NAFTA and The Uruguay Round Negotiations of GATT -- in general expanded intellectual property protection and enforcement provisions in the countries who are or become parties.



Constance R. Barnhart, Attorney at Law, is the Managing Member of Barnhart Law PLC. After 12½ years as a Partner in the law firm of Holland & Knight LLP and more than 30 years of practicing law with large law firms, she founded Barnhart Law PLC (www.BarnhartLawPLC.com) in March, 2009. At Barnhart Law PLC, Ms. Barnhart represents Scandinavian, European, and U.S. clients in U.S. and international business matters, including technology and intellectual property licensing, and corporate, commercial, financial, and contracts matters. In over 30 years of practice, she has handled as lead attorney many substantial mergers & acquisitions, and corporate, commercial, securities, and financial transactions, as well as technology and intellectual property-related matters for U.S. and international clients.

She is fluent in English, Spanish, and Norwegian, and conversant in Swedish and Danish. She is admitted and licensed to practice law in four U.S. States – New York, Florida, Texas, and Minnesota. **Ms. Barnhart may be reached at CBarnhart@BarnhartLawPLC.com or by telephone at +1-954-232-5378.**