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Intellectual Property Essential #1
What Is Intellectual Property (IP)?

- Imagination
- Creativity
- Ingenuity
- Value
- Exclusive Rights

= Intellectual Property
Intellectual Property Can Be Very Valuable

Intangible Asset

Intellectual Asset

Gives You a Competitive Advantage

LOSS OF INTELLECTUAL ASSETS

Can Be Very Costly!

More $ Than Physical Asset Loss

Loss of Competitive Advantage
Types of Intellectual Property

- **Trademarks**: Brand names, logos, package designs ("trade dress"), sounds, colors
- **Copyrights**: Original works including written works, music, art, photo, and film
- **Patents**: New or improved process, machine, composition of matter, article of manufacture
- **Trade Secrets**: Recipes, systems, processes, customer lists, business plans, computer programs, & more
Why IP Is Important

U.S. Constitution – Article 1, Sec. 8, Cl. 8

“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”
Intellectual Property Essentials #2

Determine if You Should Protect a Piece of Intellectual Property
Two Questions to Determine if Protection is Worth It

Is the intellectual property directly related to your competitive advantage?

Does the intellectual property have value in the marketplace?
What are the Four Major Forms of Intellectual Property

- TRADEMARK
- PATENT
- TRADE SECRET
- COPYRIGHT
Patents (Inventions)

**What Does a Patent Do?**

- Grant from the federal government
- Excludes others from making, using & selling an invention for a “limited time”
- A “contract” between the inventor & the government

**What Does a Patent Protect?**

- Functional items
- Items must be useful, novel & nonobvious

**What is the Scope & Duration of a Patent?**

- National (no rights during pendency)
- 20 years from date of filing (utility patent)
- 15 years from date of grant (design patent)
Trademarks (Brands)

What Does a Trademark Do?
- Distinguishes manufacturer’s or merchant’s goods from those offered by others
- Gives the manufacturer or merchant a competitive advantage

What Does a Trademark Protect?
- Words, phrases or symbols (or a combination)
- Designs & shapes (trade dress)
- Colors, sounds & smells

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- In perpetuity as long as it’s in use & renewal documents are filed on time

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Copyrights (Creativity)

What Does a Copyright Do?
- Protects original works of authorship
- Must be fixed in a tangible medium

What are Exclusive Rights of Federal Copyright Registration?
- To reproduce the work or prepare derivative works
- To distribute copies of the work
- To publicly perform or display the work

What is the Scope & Duration of a Copyright?
- National
- Life plus 70 years
Trade Secrets (Confidential Info.)

What is a Trade Secret?
- Formula, pattern, physical device, idea, process, or other information
- Must give the owner a competitive advantage

What are Trade Secret Examples?
- Coca-Cola formula
- Apple research & development
- Google algorithm

What is the Scope & Duration of a Trade Secret?
- Worldwide
- Until the secret is exposed
Intellectual Property Essentials #4

The Four Types of Patents and How Patent Protection is Obtained
Patents and Patent Protection

**Utility**
- ✓ A process or method  
  EXAMPLE: computer software
- ✓ A machine  
  EXAMPLE: printer
- ✓ An article of manufacture  
  EXAMPLE: pencil
- ✓ A composition of matter  
  EXAMPLE: pharmaceutical product
- ✓ An improvement of the above types

**Plant**
- New varieties of plants that are created (not from the wild)  
  EXAMPLE: New flower, fruit tree or vegetable plant created through asexual reproduction, like grafting or cutting, or genetic engineering

**Design**
- New, original, and ornamental designs  
  for an article of manufacture  
  EXAMPLE: Coca-Cola glass bottle or Crocs sandals

**Covered Business Method**
- Particular method, apparatus, or operation that is used in the practice, administration, or management of a financial product or service  
  EXAMPLE: Amazon 1-click ordering or Priceline “reverse auctions”
The Supreme Court has said that patents cover:

“Anything under the sun that is made by man.”

(genetically-engineered bacteria that broke down crude oil)
What is an Invention?

Conception + Reduction to Practice = Invention

What is an Inventor?

- **Inventorship**: Cannot be determined until patent application claims are drafted
- **Inventor**: One who contributes significantly to conception OR reduction to practice
What Does a Patent Do?

Patent grants exclude others from:

- Making the Invention
- Using the Invention
- Selling the Invention
- Offering the Invention for Sale
- Importing the Invention
Intellectual Property Essentials #5

The Four Types of Trademarks and the Requirements for Federal Registration
Trademark vs. Service Mark

Identify and Distinguish the Source of a:

GOOD

Trademark

TM

SERVICE

Service Mark

SM
Collective and Certification Marks

Collective or Membership Marks
Used by a cooperative to indicate that goods/services are provided by a group member.

Certification Marks
Used to indicate (“certify”) the quality of goods or services as an assurance to consumers.
Common Trademark Types

1. BRAND NAME
   - COCA-COLA
   - MCDONALD’S
   - AT&T

2. SYMBOL
   - Apple
   - Nike
   - Olympic Rings
   - Dell
   - Skype
   - BMW

3. COMBINATION
   - Coca-Cola
   - Mcdonald’s
   - AT&T

4. SLOGAN
   - Just do it.
   - What’s in your wallet?
   - Taste the rainbow.
Less Common Trademark Types

1. COLORS
   - UPS Brown
   - Tiffany Blue
   - Coca-Cola Red

2. SHAPES
3. SOUNDS
   - NBC Chime
   - Intel Startup Chime
   - MGM’s lion roar

4. SCENTS
   - Flower smell for yarn
   - Cherry scent for synthetic lubricants
Trademarks vs. Trade Names

TRADEMARK
Identifies your business’ products or services in the marketplace. It is registered through the U.S. Patent & Trademark Office.

COULD MATCH
You could have a trademark and trade name that match, but they’re not the same thing legally.

TRADE NAME
Identifies your company on tax documents, official corporate documents, bank accounts, etc. It is registered in the state where you do business.

Tylenol
Nike

Products & Services

Company Registration

McNeil Consumer Products Company
Nike, Inc.
Inherent vs. Acquired Distinctiveness

Inherently Distinctive

- Its intrinsic nature serves to identify a particular source.

Acquired Distinctiveness or Secondary Meaning

- Distinctiveness may be acquired through use if the public comes to recognize the mark as an indicator of source, thus giving it “secondary meaning.”

PERSONAL NAMES

- Avery Dennison
- McDonald’s
- Gallo

COLOR, SOUND, SCENT

- Color PINK for fiberglass insulation
- “Doink-Doink” sound for Law & Order
- Peppermint scent for office supplies
The Levels of Trademark Distinctiveness

Is your trademark’s enforceability on the fence? Find out how strong it really is:

Not all trademarks are created equal!
Strong Marks are Highly Protectable and Enforceable

Coined or Fanciful Marks
- GOOGLE
- EXXON
- CLOROX
- KODAK
- STARBUCKS

Arbitrary Marks
- APPLE
- AMAZON
- BABE RUTH
- IVORY
- SHELL

Suggestive Marks
- CHICKEN OF THE SEA
- GREYHOUND
- MICROSOFT
- NORTHFACE
- WRANGLER
Weak Marks are Weakly (or Not at All) Protectable

Descriptive Marks:
- BANK OF AMERICA
- BEST BUY
- CRÈME DE MENTHE
- HEALTHY CHOICE
- MOTT’S

Generic Terms:
- BICYCLE
- CEREAL
- COMPUTER
- EMAIL
- TABLE
Benefits of Federal Trademark Registration

- Prima Facie evidence of validity & ownership
- Constructive use conferring nationwide priority as of date of filing
- Constructive notice of the registrant’s ownership of the mark (e.g., use of the ® symbol)
- Ability to become incontestable
- Improved ability to block importation of infringing goods
- Broader array of remedies in an infringement action
Put on Your Marketing Hat and Choose a Name that Reflects Your Business Plan

- How will it look?
- How does it sound?
- What feelings does it evoke?
- Is it unique?
Switch to Your Legal Hat -- If You Can’t Use a Name, Don’t Bother

Search! Business Name
www.corporations.pa.go/search/corpsearch

Search! Domain Name
GoDaddy, Google, Knowem.com

Search! Social Media
Google, Social Media Sites, Knowem.com

Search! Trademark
http://tmsearch.uspto.gov
Types of Materials Eligible for Copyright Protection
Copyright Protection

Elements
☑ Original
☑ Basic level of creativity
☑ Independently created

Tangible
Literary, musical, dramatic, pantomime, choreographic, pictorial, graphic, sculptural, motion picture, other audiovisual, & sound recording works

Types
Text, speech, audio, video, art

1. Creative Ideas
2. Expressed in a Tangible Medium
3. Can be Protected
What Does the Copyright Owner Control?

The copyright owner controls:

- Reproduction of the Work
- Preparation of Derivative Works
- Distribution of Copies of the Work
- Public Performances of the Work
- Public Display of the Work
What is Not Copyrightable?

- Ideas, concepts, or discoveries
- Titles, names, short phrases, and slogans
- Works that are not fixed in a tangible form such as improvised speech or dance
- Anything written or created by the U.S. government
Benefits of Federal Copyright Registration

- Prima Facie evidence of validity & ownership
- Ability to sue for infringement and seek injunctions
- Statutory damages & attorney’s fees
- Preempts the defense of “innocent infringement”
- Improved ability to block importation of infringing goods
What are the Most Common Types of Trade Secret Disputes?
Types of Trade Secret Disputes

- Employer vs. Former Employee
  - “The information was in my head...”

- Lawful Discovery v. Theft
  - Permission
  - Independent development
  - No longer secret
Intellectual Property Essentials #8
The Elements of a Trade Secret Protection Program
STEP 1: PROGRAM DEVELOPMENT
Identify your trade secrets and build and implement a comprehensive protection plan.

STEP 2: DOCUMENT CREATION
Write employee, independent contractor, and vendor agreements and other documentation required to protect your trade secrets.

STEP 3: EDUCATION
Guide leaders in prioritizing trade secrets as part of your company culture and train employees on trade secret law, protection, and management.

STEP 4: MANAGEMENT & MONITORING
Conduct annual or semi-annual audits and internal controls assessments to determine whether all elements of your trade secret protection program are current and to identify any required updates.

Trade Secret Protection Program
Wrapping It Up

Questions?