



Thursday, May 22
1:30 pm–3:00 pm

502 Understanding Intellectual Property

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Robert J. Glance

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Faculty Biographies

Tanguy de Carbonnières

Tanguy de Carbonnières is associate general counsel in the technology & operations practice group of Fannie Mae's legal department, in Washington, DC. Mr. de Carbonnières advises Fannie Mae's information technology division on intellectual property and intellectual property governance-related matters, transactions and risk mitigation, including information security. Mr. de Carbonnières also advises the company at large on copyright, trade secret programs and patents matters, overseeing the management of Fannie Mae's patent portfolio, and advising internal clients on complex intellectual property licensing and joint development transactions.

Prior to joining Fannie Mae, Mr. de Carbonnières worked in the Washington, DC office of Wilmer, Cutler and Pickering, now WilmerHale, focusing on cross border transactions, transnational litigation and arbitration. Prior to relocating in the United States, Mr. de Carbonnières practiced law in Paris, primarily litigating real estate and corporate matters.

Mr. de Carbonnières received an LL.M. from American University and a maîtrise en droit (J.D. equivalent) from the University of Paris II Assas.

Robert J. Glance

Robert J. Glance is senior counsel with Wells Fargo & Company in Minneapolis. He is responsible for intellectual property matters, including the development and maintenance of a patent strategy for Wells Fargo. In this capacity, Mr. Glance provides advice to Wells Fargo and its subsidiaries on patent and trade secret matters. He assists the business units in evaluating their technology with respect to patentability and provides guidance on intellectual property best practices. Additionally, he frequently conducts training and educational sessions on the importance of intellectual property to financial services companies.

Prior to joining Wells Fargo, Mr. Glance was an associate general counsel at Fannie Mae in Washington, DC. At Fannie Mae, he was responsible for patent and other intellectual property matters. Before joining Fannie Mae, Mr. Glance was an attorney with the intellectual property law firm of Merchant & Gould. There, he developed experience in patent procurement, portfolio management, and intellectual property litigation

Mr. Glance is a registered patent attorney with the U.S. Patent & Trademark Office. He is on the board of directors of With Open Arms, a Washington, DC-area non-profit organization.

He earned his B.S. from the University of Virginia and J.D. from Cornell Law School.

Gina Hough

Gina A. Hough is counsel at Dickstein Shapiro LLP in the intellectual property practice in Washington, DC. Ms. Hough focuses her practice on intellectual property portfolio development and licensing, as well as technology transactions and licensing. She provides strategic intellectual property counseling, particularly to financial services companies seeking to improve their competitive position through the best use of their intellectual property assets.

Prior to joining Dickstein Shapiro, Ms. Hough was with Fannie Mae in Washington, DC. Before that, she was vice president and deputy general counsel; a position in which she was responsible for servicing the intellectual property needs of the company. Prior to that, Ms. Hough was associate general counsel for technology, intellectual property, and communications. Ms. Hough was in-house counsel for Digital Equipment Corporation, now Hewlett Packard, both as senior corporate counsel and corporate counsel. She began her career in private practice as a litigation associate at Sherin and Lodgen in Boston. Ms. Hough also was a law clerk to the Justices of the Massachusetts Superior Court.

Ms. Hough is a member of the ABA, the American Intellectual Property Law Association (AIPLA), and the Intellectual Property Owners Association (IPO), and serves on the boards of the International Intellectual Property Institute and IONA Senior Services.

Ms. Hough received her B.A. from Smith College and her J.D. from Boston College Law School.

UNDERSTANDING INTELLECTUAL PROPERTY

“Intellectual property” is a term for a group of intangible property rights that protect the ways in which an idea is expressed. The principal forms of intellectual property are patents, copyrights, trademarks, and trade secrets, however, the term “intellectual property” also covers other rights, such as trade dress, mask works, unfair competition, and publicity rights. Intellectual property offers a valuable protection against competitors in the marketplace. The particular types of intellectual property that are important to a company depend on the nature of the company’s products and services. Although intellectual property rights often overlap, it is crucial to understand the differences offered by each type of property to ensure that a company’s intangible assets are properly protected.

	<u>PATENT</u>	<u>COPYRIGHT</u>	<u>TRADEMARK</u>	<u>TRADE SECRET</u>
Protected Matter	Machine, Manufacture, Process, or Composition of Matter (Utility); Ornamental Designs (Design); Plants (Plant)	Expression of an original work	A word, character, symbol, or other device used to designate the source of goods or services	Information that is secret and provides a business advantage
Duration	20 years from filing (Utility and Plant); 14 years (Design)	Author’s life + 70 years 95/120 years for works made for hire	Common law: as long as used; Registered: 10 years	Indefinite
Owner	Inventors	Author, unless work-for-hire	First party to use	Creator
Registration	Required	Optional	Optional	None
Rights Start	Upon issuance	Upon fixing in a tangible expression	Common law: upon use; Registered: upon issuance	Upon creation
Requirements	Must be useful, novel, non-obvious, and properly described	Originality	Distinctiveness	Secrecy, usefulness
Restricts	Unauthorized making, using, selling, or importing	Copying or use	Use of marks likely to cause confusion	Improperly obtaining and using
Remedies	Injunction, monetary damages	Injunction, seizure, compensatory damages, statutory damages	Injunction, seizure, monetary damages, criminal penalties	Injunction, compensatory damages, punitive damages, criminal penalties

PATENTS

TYPES OF PATENTS

- **Utility Patents:** (35 U.S.C. § 101) Utility patents cover processes, machines, manufactures and compositions of matter.
- **Design Patents:** (35 U.S.C. § 171) Design patents cover the ornamental features of the design for a product.
- **Plant Patents:** (35 U.S.C. § 161) Plant patent certificates cover asexually reproduced plant varieties.

REQUIREMENTS FOR OBTAINING A UTILITY PATENT

- **Application Contents - Non-provisional utility patent applications must contain:**
 1. **Specification:** The specification must provide a written description of the invention and the manner and process for making and using it. The specification must end with one or more claims that distinctly point out that which the inventor regards as the invention.
 2. **Drawings:** Drawings are mandatory when necessary to understand the subject matter of the application.
 3. **Oath:** The application must be accompanied by an oath signed by the inventor(s), declaring that he believes himself to be the first and original inventor of the subject matter sought to be patented.
- **Proper Subject Matter:** Utility patents may cover any process, machine, manufacture, or composition of matter, and any improvement thereof. Patents can not be obtained for discoveries of scientific principles or mathematical formulas.
- **Utility:** This requirement generally means that the invention has a practical application and that it achieves its intended purpose.
- **Novelty:** The invention must not be already in the “prior art.” If someone else made the invention before, it is not patentable.
- **Nonobvious:** An invention is not patentable if it would have been obvious to a person having ordinary skill in the relevant art at the time of making the invention in light of the prior art.

ENFORCING A UTILITY PATENT

A patent makes it illegal for a party to make, use, sell, offer to sell, or import the patented invention without authorization from the patent owner. If a company believes its patent rights have been violated by another party, the company has a variety of options that it may pursue, ranging from offering to license the patented technology to filing a lawsuit.

Penalties for infringement of patent rights are available only in the form of civil remedies. The two most common forms of remedies are monetary damages and permanent injunctions, preventing the defendant from further utilizing the patent. Monetary damages are typically awarded in the form of a reasonable royalty or lost profits. In some cases, increased damages and an award of attorneys' fees and costs are available. To ensure the full range of remedies are available, a company should always **mark** its products with notice of the patent protection covering that product.

COPYRIGHT

Copyright protection applies to original works of authorship that are fixed in a tangible form of expression.

TYPES OF WORK PROTECTED

Copyright protection is available for the following categories of work:

- Literary works, such as: books, poetry, manuscripts, reports, speeches, pamphlets, brochures, textbooks, catalogs, and directories;
- Musical works, including the composition, arrangement, and any accompanying words;
- Dramatic works, such as: plays, screenplays, and radio or television scripts;
- Pantomimes and choreographic works;
- Visual arts works, including pictorial, graphic, and sculptural works;
- Motion pictures and other audiovisual works, including the camera work and dialogue;
- Sound recordings, including the performance and the engineering or production;
- Architectural works; and
- Computer programs.

OWNING A COPYRIGHT

The author of a work owns the copyright, unless the work was a “work-for-hire.” Copyrights may be licensed and assigned. It is not necessary to register a copyright, however, registration is advisable as it is necessary before enforcing the protection. Copyright registration is handled by the US Copyright Office, part of the Library of Congress in Washington, DC.

SCOPE OF PROTECTION FOR A COPYRIGHT

- **Duration** – The term of copyright for a particular work depends on several factors, including whether it has been published, and, if so, the date of first publication. As a general rule, for works created after January 1, 1978, copyright protection lasts for the life of the author plus an additional 70 years. For an anonymous work, a pseudonymous work, or a work made for hire, the copyright endures for a term of 95 years from the year of its first publication or a term of 120 years from the year of its creation, whichever expires first.
- **Rights Protected** – Copyrights protect against the unauthorized copying or use of a work. This includes creation of derivative works, distribution of copies, performance of a work, and display of a work.
- **Limits** – Certain uses of a copyrighted work are allowable without permission. These exceptions include: “fair use” of the work, copying by libraries, use of works in the public domain.
- **Remedies** – Civil and criminal penalties are available remedies. Civil remedies include injunctions, disposition of the infringing materials, actual damages and profits, injunctions, monetary awards and fines. “Statutory damages” are also available, ranging from \$750 to \$30,000 (per work infringed), up to \$150,000 for willful infringement.

TRADEMARKS

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. Trademarks come in four types: brand names, service marks, certification marks, and collective membership marks. (15 U.S.C. § 1127) Although typically words, there is no limit as to what may be a trademark. For example, some very valuable trademarks are simply a color used in a particular way.

SELECTING A TRADEMARK

Selecting a trademark is balancing between two sometimes competing goals: finding a mark that is easy to market yet easy to protect. Before deciding on a mark, a company should have a search performed to ensure that the mark is not being used by another party. The strength of a mark depends on how distinct it is. In order of decreasing value:

- **Fanciful** marks have no meaning apart from their use as a mark.
Examples: EXXON, Kodak
- **Arbitrary** marks are real words but unrelated to the product.
Examples: Apple, Baby Ruth
- **Suggestive** marks hint at particular aspects or characteristics of the mark.
Examples: Coppertone, Jaguar
- **Descriptive** marks convey information directly about the product.
Examples: Raisin Bran, The Dollar Store
- **Generic** terms, which cover a range of products cannot be trademarked.
Examples: aspirin, soap

SECURING RIGHTS TO A TRADEMARK

A party that begins using a trademark automatically has “common law” rights in the geographic area where they are using the mark. Registering the mark with the USPTO can make the rights nationwide and can simplify enforcement. Registration requires the following process:

1. Filing of an application in the PTO, including a drawing of the mark and specimens showing how it is used;
2. Examination of the application, which includes a search of the PTO's records for conflicts;
3. Where no conflicts are found, publication of the application in the PTO's Official Gazette;
4. A 30-day comment period, during which third parties can file opposition proceedings against the published application;
5. Where no oppositions are filed and the mark already is in use, issuance of the trademark registration certificate.

Five years after a registration has been obtained, the owner of the federal registration must prove to the PTO that the mark is still in use. If proof is not submitted, the PTO will automatically cancel the registration. Trademark registrations are valid for renewable ten-year periods.

USING A TRADEMARK

Using a trademark properly is important to maintaining its value. Improper usage of a trademark can lead to a loss of distinctiveness, referred to as “genericide.” It may be worthwhile to employ a clearance and/or watch program to ensure that a mark is being properly used.

The following are general rules to follow for proper usage of a trademark:

- Always use the mark as an adjective.
Example: Kodak film
- Always distinguish the mark from the rest of the text.
Example: The *XEROX* photocopier
- Never use a mark as a noun or a verb
BAD Examples: Q-TIPS, “google” his name
- Never vary the mark. Variations by the owner in the use of the mark diminish the value and strength of the mark.

ENFORCING A TRADEMARK

A trademark protects the owner from others using markings that would be likely to confuse the origin of the product or service. Federal trademark law also prohibits misrepresentation and other forms of unfair competition. If a mark is “famous,” activities that would dilute the mark are also prohibited.

Federal law provides civil remedies including monetary damages and injunctive relief. Enhanced damages are readily available in trademark disputes. Some states also have criminal penalties in addition to civil relief.

TRADE SECRETS

The Uniform Trade Secrets Act (“UTSA”) is a codification of trade secret common law that has been adopted in 46 states and the District of Columbia. The UTSA defines a trade secret as:

Information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

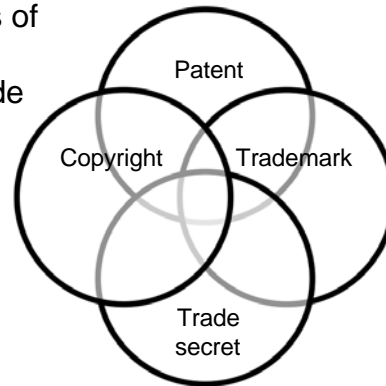
- (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and
- (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

SCOPE OF PROTECTION FOR A TRADE SECRET

- **Requirements for Protection** – There is no registration for trade secrets. Rather, the owner should take affirmative steps, such as restricting access, to maintain the secrecy of the information.
- **Duration**– A trade secret lasts indefinitely, until the information is legitimately obtained by a third party.
- **Misappropriation** – Misappropriation is the improper acquisition of a trade secret, such as theft, bribery, or violating a confidence to obtain the information. Thus, trade secrets are enforceable only against those with whom the owner has a relationship. Reverse engineering to determine how a product works, for example, is not misappropriating a trade secret.
- **Remedies** – Civil and criminal penalties are available remedies. Civil penalties generally include injunctions and compensatory monetary damages.

Intellectual Property

- “Intellectual property” is a term for a group of intangible property rights that protect the ways in which an idea is expressed. The principal forms of intellectual property are patents, copyrights, trademarks, and trade secrets.
- Although intellectual property rights often overlap, it is crucial to understand the differences offered by each type of property to ensure that a company’s intangible assets are properly protected.



Problems arise when you...

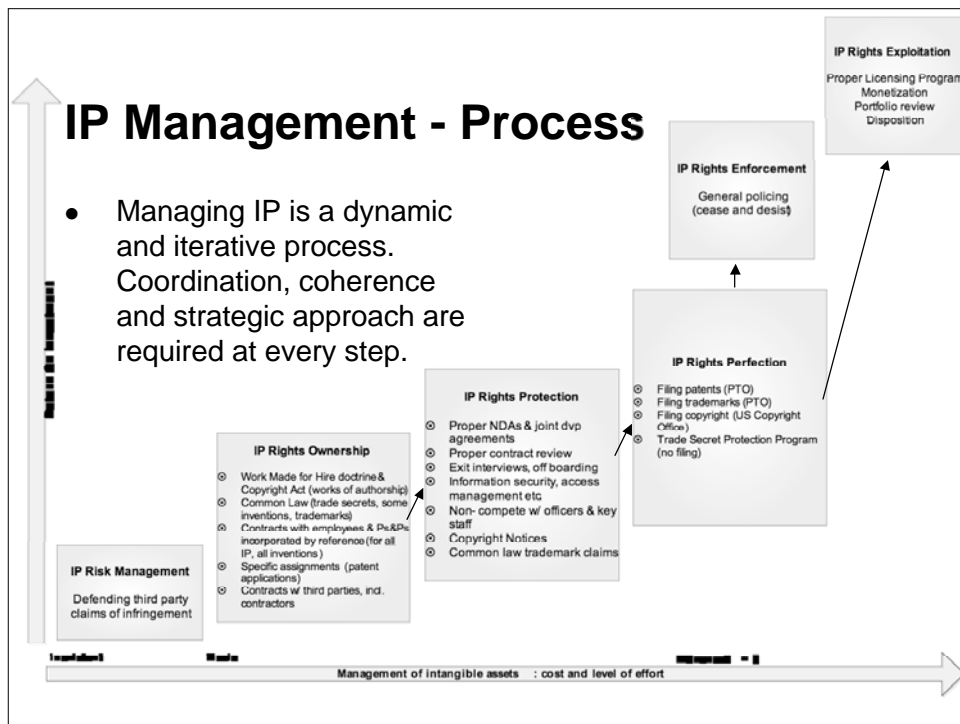
- Don't respect the IP of others
- Don't protect your own IP

IP Management – Build Your Case

- Risks of ignoring IP
 - Headline & political risk
 - Injury to reputation and good will
 - Litigation and/or settlement costs
 - Court orders stopping new products or technologies
 - Loss of investments in development
 - Delay in implementing new products or systems
 - Upset customers or partners
 - Future royalties
 - Inquiries by shareholders and regulators
 - SOX compliance
 - Fiduciary duty of management and board of directors
- Examples
 - Eolas Techs. v. Microsoft Corp., 2004 U.S. Dist. LEXIS 522 (N.D. Ill. Jan. 14, 2004), confirmed in appeal \$520m award for plug in technology
 - NTP, Inc. v. Research in Motion, Ltd., 418 F.3d 1282, 2005 (Fed. Cir. 2005): Blackberry saga – Settlement for \$612.5m

Goals of Intellectual Property

- Freedom to operate
- Minimize 3rd party liability
- Strategic use of intellectual property to support your business objectives

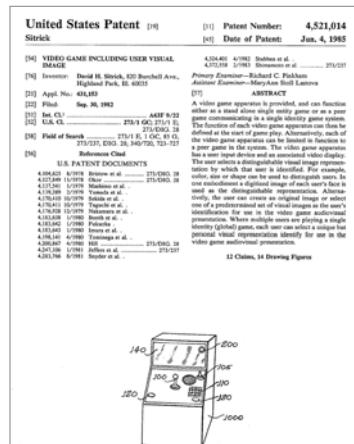


	PATENT	COPYRIGHT	TRADEMARK	TRADE SECRET
Protected Matter	Machine, Manufacture, Process, or Composition of Matter (Utility); Ornamental Designs (Design); Plants (Plant)	Expression of an original work	A word, character, symbol, or other device used to designate the source of goods or services	Information that is secret and provides a business advantage
Duration	20 years from filing (Utility and Plant); 14 years (Design)	95 to 120 for corporations	Common law: as long as used; Registered: 10 years	Indefinite
Owner	Inventors	Author, unless work-for-hire → employer	First party to use	Creator
Registration	Required	Optional	Optional	None
Rights Start	Upon issuance	Upon fixation in a tangible expression	Common law: upon use; Registered: upon issuance	Upon creation
Requirements	Must be useful, novel, non-obvious, and properly described	Originality	Distinctiveness	Secrecy, usefulness
Restricts	Unauthorized making, using, selling, or importing	Unauthorized copying	Uses likely to cause confusion	Improperly obtaining and using
Remedies	Injunction, monetary damages	Injunction, seizure, compensatory damages, statutory damages	Injunction, seizure, monetary damages, criminal penalties	Injunction, compensatory damages, punitive damages, criminal penalties

IP Risk Management

- Don't Copy Other People's Stuff
- Effort by Legal is Required
 - Lots of education and training
 - Clearance searches
 - Defend third party claims
 - Obtain licenses
- Best Defense is Offense
 - Protect your own intellectual property

Patents



Why get a patent

- To gain **freedom to act**: cross-licensing and counter-ammunition
- To **protect** a product, service, or business model **from being copied** by others, especially “free-riders”
- To **preclude others** from getting patents on our own developments
- To generate an **optimal return** on our investment

What to patent

- Protect business activities that represent:
 - High risk due to patenting by others
 - Core competencies
 - Competitive advantages
 - Future opportunities where freedom to operate and competitive advantages are critical
 - Significant investments

When to apply for a patent

- As Soon As Possible
 - The earlier a patent application is filed the better the chance there is to get a patent
 - Others could patent first
- No later than **one year** after the product or feature is disclosed to the public, sold or offered for sale, or used in your business
 - Narrow exception for experimentation

Who owns the patent?

- Inventor
- Need ownership agreement assigning rights
 - Doesn't matter if the inventor is an employee
 - Doesn't matter if the inventor is a contractor that you paid lots of \$\$\$\$
- Be wary of co-ownership or joint ownership

Types of Patents

- **Utility Patents** – (35 U.S.C. § 101) Utility patents cover processes, machines, manufactures and compositions of matter.
- **Design Patents** – (35 U.S.C. § 171) Design patents cover the ornamental features of the design for a product.
- **Plant Patents** – (35 U.S.C. § 161) Plant patent certificates cover asexually reproduced plant varieties.

Patent Application Process

- Timing is critical – remember one year rule
- Prior art search (optional)
- Patent counsel prepares patent application
 - Costs can be \$5k-\$25k+ depending on the complexity of invention and purpose of the patent
- Application filed at U.S. Patent & Trademark Office
- Sits in queue for 2-5 years before examined
- Additional \$5k-\$25k+ fees to “negotiate” scope of patent
- Fee due upon issuance, and every 3 ½, 7 ½, and 11 ½ years after issue
- Term up to 20 years from date of filing

Requirements for Obtaining a Utility Patent

- Application Contents – Non-provisional utility patent applications must contain:
 - Specification – The specification must provide a written description of the invention and the manner and process for making and using it. The specification must end with one or more claims that distinctly point out that which the inventor regards as the invention.
 - Drawings – Drawings are mandatory when necessary to understand the subject matter of the application.
 - Oath – The application must be accompanied by an oath signed by the inventor(s), declaring that he believes himself to be the first and original inventor of the subject matter sought to be patented.

Requirements for Obtaining a Utility Patent

- Proper Subject Matter – Utility patents may cover any process, machine, manufacture, or composition of matter, and any improvement thereof. Patents can not be obtained for discoveries of scientific principles or mathematical formulas.
- Utility – This requirement generally means that the invention has a practical application and that it achieves its intended purpose.
- Novelty – The invention must not be already in the “prior art.” If someone else made the invention before, it is not patentable.
- Nonobvious – An invention is not patentable if it would have been obvious to a person having ordinary skill in the relevant art at the time of making the invention in light of the prior art.

Provisional Patent Application

- A “draft” patent application that must be finalized within one year
- Cost-effective way to get some patent protection
 - You get what you pay for!

Patent Pending

- Can create fear, uncertainty, and doubt
- Possible pre-issue damages
- Can still protect “invention” as a trade secret or through a confidentiality agreement
 - Unless patent application is published
- Patent application can be licensed or sold
 - Often done in connection with a technology transfer or with other IP rights

Enforcing a Utility Patent

- A patent makes it illegal for a party to make, use, sell, offer to sell, or import the patented invention without authorization from the patent owner.
- Standing: must be patent “owner”
- Types of infringement: direct, contributory, induced
- Damages
 - Reasonable royalty
 - Lost profits
 - Enhanced damages
 - Injunctions

Defending a Patent Litigation

- Defenses:
 - Non-infringement
 - Invalidity
 - Unenforceability (i.e., inequitable conduct, misuse)
 - License
 - Laches/estoppel
- Other considerations:
 - Indemnification
 - Insurance
 - Design arounds
 - Preventing litigation: clearance opinions

Foreign Patent Rights

- First to File vs. First to Invent
- Filing abroad based on a U.S. invention
 - Directly file in the foreign country
 - File under an International Convention (e.g., Patent Cooperation Treaty, European Community Convention)
- Be aware of differences abroad with respect to: filing deadlines (i.e., statutory bars), marking requirements, patentability, compulsory licenses, etc.

New Developments

- Patent Reform Act
- Supreme Court
- Court of Appeals for the Federal Circuit
- United States Patent & Trademark Office

Copyright

Copyright: the Basics

- Copyright Act of 1976 - 17 U.S.C. §§ 101-805; 1001-1010; 1101; 1201-1205; 1301-1332
- Copyright is a bundle of exclusive rights granted by law to an author of an original work of authorship when the work is fixed in any tangible medium of expression:
 - Right to reproduce the work
 - Right to prepare derivative works
 - Right to distribute copies (sale, transfer, rental, lease, lending)
 - Right to perform the work publicly

Copyright: the Basics

- Copyright protection is available for the following categories of work:
 - Literary works → include “computer programs”
 - Musical works, including any accompanying words
 - Dramatic works, including any accompanying music
 - Pantomimes and choreographic works
 - Pictorial, graphic, and sculptural works
 - Motion pictures and other audiovisual works
 - Sound recordings
 - Architectural works

Copyright: the Basics

- **Duration** – For works published after January 1, 1978, the term is the author’s life plus 70 years. For works made for hire, the copyright lasts for 95 years from publication or 120 years from creation, whichever is shorter.
- **Rights Protected** – Copyrights protect against the unauthorized copying or use of a work. This includes preparation of derivative works, distribution of copies, performance of a work, and display of a work.
- **Limits** – Certain uses of a copyrighted work are allowable without permission. These exceptions include: “fair use” of the work, copying by libraries, use of works in the public domain.
- **Remedies** – Civil and criminal penalties are available remedies. Civil remedies include injunctions, disposition of the infringing materials, actual damages and profits, injunctions, monetary awards and fines. “Statutory damages” are also available, ranging from \$750 to \$30,000 (per work infringed), up to \$150,000 for willful infringement.

Copyright: the Basics

- International recognition:
 - There is no such thing as an international copyright
 - However, under the Berne convention, all works published after March 1, 1989, receive copyright protection in all member countries without prior registration
 - Copyright protections vary from country to country, and some countries offer greater protection than the U.S. does

Copyright Management: If You (Were to) Do Nothing

- Absent a copyright management program, risks of infringement are increased:
 - Copying
 - Unauthorized creation of derivative works
 - Uncontrolled joint developments
- Consequences: damages and profits, injunction, product recall, clean room procedure to redevelop the application or the work
- Still mandatory deposit for published works

Copyright Management: If You (Were to) Do Nothing

- Original works of authorship are protected no matter what:
 - Copyright notices are no longer required.
 - Registration is optional as well (but deposits for books are required).
- Employer's ownership of copyright
 - Copyright Act of 1976 for works created after January 1, 1978 (17 USC Sec.201(a) and (b) (1998)): presumption of ownership by employer is confirmed
- If copyright infringement claims are asserted, still:
 - potential fair use defense,
 - demonstration that the infringed work could not have been accessed by the employees,
 - argument that the work is not copyrightable
- Absent any copyright program: increased risks of infringement by your company.

Copyright Management: the Light Approach

- Copyright notices on works to be published, source code libraries, GUIs:
 - To defeat innocent infringer defense
 - To rely on statutory damages of the Digital Millennium Copyright Act for removal of copyright notices.
- Ps&Ps instructing employees to clear third party content with Legal (training, training)
- Open source review program for software development: open source is not free. A structured program balancing the desiderata of developers and contract compliance is a must.
- Ownership of works produced by contractors, temps, consultants, vendors
 - Confirm ownership of all deliverables in writing with Staff Aug firms (*belt*) and directly with Contractors/Consultants (*suspenders*)
 - Confirm assignment in the contract with vendors: works made for hire outside the scope of employment is limited.

Copyright Management: Advanced

- Consider blanket license agreements, and know their limitations:
 - For contents: Copyright Clearance Center, EBSCO, Factiva
 - For motion pictures: Swank, Motion Picture Licensing Corporation
 - For music: performing rights societies: BMI, ASCAP, SESAC
 - Evaluate stock photo licenses and other cheaper avenues (e.g., Creative Commons)
- Work with your compliance and audit departments; for operational discipline to really permeate the culture, Ps&Ps must be enforced.
- If intensive content or software production, establish a copyright registration program: statutory damages for a \$45 investment is a good deal, but you need to register works before the infringement:
 - Filing is with the US Copyright Office
 - Within 3 months of publication of the work if published
 - Generally 2 copies of the work must be deposited. Registration satisfies also the mandatory deposit requirement with the Library of Congress for published works.
 - Prima facie evidence of ownership, statutory damages, requisite for filing lawsuits (district court have jurisdiction)

Copyright Management: Enforcement and Licensing

- Enforcement: statute of limitation is:
 - 3 years after the claim accrued
 - 5 years after the cause of action arose
- Address early on duty to account for joint works

Copyright: the Trends

- Web 2.0 – new infringement magnet:
 - Wikis, blogs, social networking
 - are mainstream for employees once they come home,
 - are becoming “wikiwiki” mainstream in the workplace (Sharepoint features) → warning banners and guidelines are a must. Work closely with your employment law colleagues.
- Internet – still an infringement magnet:
 - Proceed with extra caution if your business model calls for P2P, data extraction (even thumbnails, see ongoing Perfect 10 saga)
 - Digital Millennium Copyright Act for ISPs
- Orphan works
- The fate of “super copyright”
- Secondary liability issues: vicarious liability, contributory infringement
- The very notion of “publication” and “making available to the public”

Trade Secrets

Trade Secrets: the Basics

- Trade secrets are governed by state laws
- The Uniform Trade Secrets Act (“UTSA”) is a codification of trade secret common law that has been adopted in 46 states and the District of Columbia. The UTSA 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 readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and
 - (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Trade Secrets: the Basics

- **Requirements for Protection** – There is no registration for trade secrets. The owner should take affirmative steps, such as an access management program, to maintain the secrecy of the information.
- **Duration**– A trade secret lasts indefinitely, until the information is legitimately obtained by a third party.
- **Misappropriation** – Misappropriation is the improper acquisition of a trade secret, such as theft, bribery, or violating a confidence to obtain the information. Thus, trade secrets are enforceable only against those with whom the owner has a relationship. Reverse engineering to determine how a product works, for example, is not misappropriating a trade secret.
 - But watch out: the standard is the reason to know. There can be still misappropriation even absent an NDA or other agreement with the owner of the trade secret.
- **Remedies** – Civil and criminal penalties are available remedies. Civil penalties generally include injunctions and compensatory monetary damages.

Trade Secrets Management: If You (were to) Do Nothing

- Some regulatory requirement (Nonpublic Personal Information, credit card information), more on the privacy and consumer law protection angle than IP
- Absent a trade secret protection program, reliance only on fiduciary duty, and, in some instances, possibility to rely on the doctrine of inevitable disclosure.
- Employer's ownership of trade secrets
 - Restatement (Third) Unfair Competition § 42 cmt. e (1995), combined with Restatement (Second) of Agency § 397 cmt.
 - Relationship between an employer and an employee is a confidential one; trade secrets created for employers belong to employers; duty of non disclosure placed on employees
 - Fiduciary duty recognized, and actually reinforced for officers and top echelon employees
- Jurisprudence call for proactive steps to protect your sensitive information. If you have done nothing, the courts or the federal agencies won't assist you in case of misappropriation.

Trade Secret Management: Light Approach

- A structured program is a **must**:
 - Strong Ps&Ps in place
 - Confidential information classification based on sensitivity (but keep it simple!)
 - Practical answers and guidelines
 - Advice to clients on NDAs (mutual NDA is not the panacea)
 - Focus also on trade secrets of third parties and counterparties.
 - Check DOJ checklist
 - Training, training. Repeat
- Recommendations for full time employees:
 - Code of conduct yearly certifications, or better, actual NDAs
 - Confirm ownership of inventions in writing with full time employees ("preinvention assignment agreements")
- Recommendations for contractors, temps, consultants:
 - Confirm ownership of all deliverables in writing with Staff Aug firms (belt) and directly with Contractors/Consultants (suspenders)

Trade Secret Management: Advanced

- Implement Confidentiality and Non Competition Agreement for officers and key contributors. Note, non competes have limitations.
- Advice to clients on unsolicited ideas
- Work with your compliance, audit, and privacy groups to coordinate enforcement, and interaction with Nonpublic Personal Information
- Strong Information Security Program in place, linked to Access Management
- Follow standard best practices (e.g., ISO/IEC 17799:2005) and industry best practices
- Evaluate central repository (pros and cons)
- Structure the exit process: IP protection and reminders in agreement and general release signed when off boarding. Ask for the relinquishing of all confidential files and records.

Trade Secret Enforcement and Leveraging

- In case of misappropriation, investigate timely, file early
- Cybercrime, consider contacting federal agencies
- Additional tools under the Economic Espionage Act, Computer Fraud Abuse Act
- Evaluate licensing carefully; coupled with patent

Trademarks

Trademarks: the Basics

- Trademark Act of 1946 “Lanham Act” - 15 U.S.C. § 1051-1141n
- 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. Or services for a “service mark.” (15 U.S.C. § 1127)
- Trademarks and service marks can also be used as certification marks (e.g., “Woolmark” or “Idaho” potatoes) or collective marks (e.g., “CPA”).
- Although typically words, there is no limit as to what may be a trademark. For example, some very valuable trademarks are simply a color used in a particular way.
- A strong brand (i.e., a trademark right properly managed) can be a valuable intangible asset.

Trademark Management: If You (Were to) Do Nothing

- Common law recognition of your trademark if actual and active use in trade
- Ownership:
 - Owned by the actual user of the mark in trade. Declaration by applicant that it is the “juristic person.. to be the owner of the mark sought to be registered” (15 USC 1051(a)(3)(A))
- But poor defensive position in case of infringement, offensively or defensively

Trademark Management: Light Approach

- Advise your branding department on trademarks selection
 - **Fanciful** marks have no meaning apart from their use as a mark.
 - **Arbitrary** marks are real words but unrelated to the product.
 - **Suggestive** marks hint at particular aspects or characteristics of the mark.
 - **Descriptive** marks convey information directly about the product.
 - **Generic** terms, which cover a range of products cannot be trademarked.

Trademark Management: Light Approach

- Do conduct trademark searches (Corsearch, Thomson & Thomson, etc.) before releasing a new branded product: the cost is nominal.
- Do instruct your communication department to:
 - Affix common law symbol TM if plan on claiming rights (no cost)
 - Always use the mark as an adjective
Example: Kodak film
 - Always distinguish the mark from the rest of the text
Example: The XEROX photocopier
 - Never use a mark as a noun or a verb
BAD Examples: Q-TIPS, "google" his name
 - Never vary the mark. Variations by the owner in the use of the mark diminish the value and strength of the mark

Trademark Management: Advanced

- Do seek registration of your key marks with the USPTO
 - Cost is nominal for what sometimes constitutes a key asset of the company
 - Do your homework: trademark searches
 - Principal vs. Supplemental Register
 - PTO Examiner Search
 - Opposition Proceedings
 - Right to apply on an "intent to use" a mark as well
- Duration: 10 year, renewable periods. However, five years after a registration has been obtained, the owner of the federal registration must prove to the PTO that the mark is still in use. If proof is not submitted, the PTO will automatically cancel the registration.

Trademark Management: Advanced

- Do consider foreign registrations:
 - International registration was established by the Madrid Agreement and is administered by WIPO.
 - An IR can be based on a registration in any member country.
 - Like a PCT patent, the IR registration is filed centrally, and then forwarded to each member country where protection is sought.
 - For protection throughout the EU, a community trademark registration can be obtained.

Trademark Management: Enforcing and Licensing

- Communicate to the marketplace your intent to enforce your rights: affix symbols
- Evaluate signing up for online protection tools and enforcement workflow (e.g., NameProtect with Corporation Service Co.)
- Do follow up on your cease and desist letters based on prohibited activities:
 - Phishing
 - Likelihood of confusion
 - Misrepresentation/unfair competition
 - Dilution of mark for "famous" marks
- Remedies
 - Monetary damages
 - Enhanced damages
 - Injunction
 - State criminal penalties
- Licensing: Do implement quality control to avoid naked licenses
- New trend to look for, virtual knockoffs and putting your company into a virtual world

Trademark Management: the Domain Name Component

- Selecting a domain name
- Applying for a domain name
 - Network Solutions Inc. and others registrars approved by ICANN
- Domain name disputes
 - Legal action in court
 - ICANN's Uniform Domain Name Dispute Resolution Policy through WIPO
- Do sign up for domain name management service (e.g., VeriSign, inc.)

Licensing Your IP

Licensing Your IP

- Is licensing the right business strategy?
- Determining the value
- Can you set agreeable, favorable terms
 - Exclusivity
 - Sublicenses
 - Termination
 - Return: flat fee/royalties/cross-licenses
 - Other legal implications

Institutionalizing IP

Components of an Established IP Program

- Training and education
- Policies and procedures
 - Ownership
 - Intake forms
- Internal website?
- Culture
 - Respect for IP of others
 - Value your own IP
 - Inventor recognition program?
- Portfolio maintenance
- Strategic integration with business units
 - Patent committee?