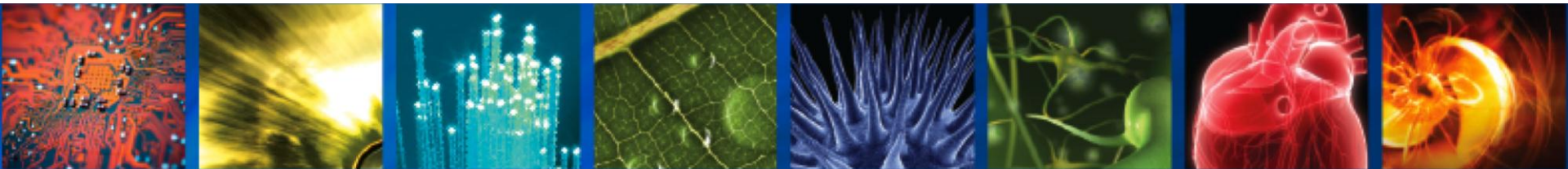


Class 5: Copyrights, Trademarks, and Trade Secrets


TVE2 IP Series

Thursday, June 27, 2013

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TVE2 Intellectual Property (IP) Series

- **Class 1:** "What intellectual property is, and why it may be important to your startup"
 - ~~Class 2:~~ "How to enter the patent world strategically and economically"
 - **Class 3:** "How to file for a patent"
 - **Class 4:** "The meaning of patent infringement and patent litigation"
 - **Class 5:** "How to use copyrights, trademarks, and trade secrets to your advantage"
 - **Class 6:** TBA (probably continuation of Class 5)
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Disclaimer

- **This presentation is for information purposes only and does not constitute legal advice.**
- **This presentation does not establish any form of attorney-client relationship.**

Today:

- What is Intellectual Property?
- Making use of:
 - Copyrights
 - Trademarks
 - Trade Secrets

What Is Intellectual Property (IP)? (Class 1 Redux)

Intellectual Property (IP)

- Refers to a category of exclusive rights created by statute, including:
 - Copyrights
 - Trademarks
 - Trade Secrets
 - Utility Patents
 - Design Patents
- Others: Trade Dress, Mask Works, ...

Nature of the Exclusive Right

- Typically the right to exclude or prevent someone from doing something
- Usually req. gov't registration; Enforce it in court
- As business tools:
 - **Copyrights:** protect content; expression
 - **Trademarks:** enhance marketing strategies
 - **Trade Secrets:** keep proprietary info confidential
 - **Patents:** obtain exclusivity in your market niche
 - **Utility:** functionality; **Design:** appearance

Copyrights

Copyrights

- **Tools for protecting content**
- Provided to authors of “original works of authorship”
- Exclusive right to a work of expression, such as a written story, a photograph, or a computer program
- Not for things that are functional (that’s utility patents)
- Protection lasts for a very long time
 - 70 years after death; 95+ years for corporate author

Examples of Copyrightable Works

- **Original Works of Authorship Fixed In A Tangible Medium of Expression**
 - **Literary Works (computer program source & object code, design documents, product manuals, training manuals)**
 - **Graphic, Pictorial, Sculptural Works**
 - **Audiovisual and Architectural Works**
 - **Musical and Choreographic Works**
 - **Websites may embody numerous works protectable by copyrights**

Rights of Copyright Owner

- **Copyright Owner has Exclusive Right to:**
 - **Reproduce**
 - **Exception: backup copies of computer programs**
 - **Adapt**
 - **Distribute to the Public**
 - **Exception: First Sale Doctrine - Purchaser can resell purchased copy**
 - **Public Performance or Display**

What Constitutes Copyright Infringement?

- When a copyrighted work is reproduced, distributed, performed, publicly displayed, or made into a derivative work **without the permission of the copyright owner**
- To prove an infringement, the copyright owner must show **substantial similarity** between the original work and the allegedly infringing work

Who Owns the Copyright?

- The creator of the work, or in the case of a work made for hire, the party for whom the work was prepared.
 - But, copyright ownership can be transferred.
- A “work made for hire” is a “work prepared by an employee within the scope of his or her employment.”
 - Criteria for work made for hire: (1) prepared by an employee (2) within the scope of his or her employment.

Works Created By Employees

- **Employee vs. Independent Contractor**
 - Distinguish based on Tax Treatment, Work Location, Payment Method, Benefits, etc.
 - Employers Own Copyrights In Works Created by Employee
 - "Works Made for Hire:"
 - Within Scope of Employment
 - by Contract
 - Independent Contractors Own Copyrights In Works They Create
 - Written Agreement May Allocate Ownership Differently

Joint Authorship

- Joint Rights Created When:
 1. Contributions of 2+ Authors are Merged as Interdependent Parts of a Single Work
 2. Contributions Created With Primary **Intent** That They be Merged into Inseparable or Interdependent Parts of a Single Work
- Joint Author Can License Work Without Consent
 - But Must Account to Other Joint Owners for Profits

Marking

- Mark to provide notice:

© 2012 Company Name
All Rights Reserved

- Rebutts Claim of Innocent Infringement
 - Deters Potential Infringers
-
- No registration necessary, it's automatic!

Register With U.S. Copyright Office

- Registration is **NOT** required for a valid copyright, but registration...
 - Provides a presumption of validity
 - Is a pre-requisite to suing to enforce copyright
 - Registering **PRIOR TO** infringement provides opportunity to recover statutory damages and attorney fees

How to Register a Copyright

- Visit www.copyright.gov

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Hot Topics

SPECIAL PROJECTS

- One-Year Update
- Two-Year Plan

ANNOUNCEMENTS

COPYRIGHT MATTERS LECTURE SERIES

Register's Public Statements

- Hearing Testimony
- 2013 Manges Lecture "The Next Great Copyright Act"
- Keynote: The Curious Case of Copyright Formalities
- Keynote: Orphan Works

About

- Copyright Basics (en Español)
- Frequently Asked Questions (FAQ)
- Current Fees
- Taking the Mystery Out of Copyright (for students and teachers)
- Historical Documents

Search Copyright Records


- Registrations and Documents
- Search Request Estimate
- Notices of Restored Copyrights
- Online Service Providers

Publications

- Circulars and Brochures
- Forms
- Factsheets
- Reports and Studies
- Announcements

How to Register a Work

- eCO Login

 **Electronic Copyright Office**

How to Record a Document

- Record a Document

Licensing

- Compulsory License

Budget

- Budget Justification
- Enacted Budget (FY 2013)
- Fiscal 2014 Budget Testimony (House | Senate)

Law and Regulations

- Copyright Law
- Regulations
- Proposed Legislation
- International Law
- Federal Register Notices
- Rulemaking Proceedings
- Mandatory Deposit

Congressional Testimony

- Online Piracy
- Administration & Budget
- More...

Related Links

- Copyright Royalty Board
- Patents and Trademarks
- Intellectual Property Enforcement
- More...

How to Register a Copyright (cont.)

- Fee: \$35
- Copyright Office Tutorial



eCO Online System

File a copyright registration for your work through the Copyright Office online system.

Before using the service, we recommend you first read [eCO Acceptable File Types](#), [eCO Tips](#), [eCO FAQs](#), or [eCO Tutorial \(PowerPoint\)](#) [eCO Tutorial \(PDF\)](#). For recently added features, see [eCO Updates](#).


Advantages include:

- Lower filing fee of \$35 for a basic claim (for online filings only)
- Fastest processing time
- Online status tracking
- Secure payment by credit or debit card, electronic check, or Copyright Office deposit account
- The ability to upload certain categories of deposits directly into eCO as electronic files
- Available 24 hours a day, except for routine maintenance every Sunday from 12:00 midnight to 6:00 AM Eastern Time

Processing Time: The time the Copyright Office requires to process an application varies, depending on the number of applications the Office is receiving and clearing at the time of submission and the extent of questions associated with the application.

[Current Processing Times](#)

Please note that our mail service is severely disrupted. [\(Read more details.\)](#)

Login to eCO:  [Electronic Copyright Office](#)

Alternate Registration Method Using with Paper Forms

The **fee** for a basic registration using one of these forms is \$65 payable by check or

Trademarks

Trademarks Overview

- Tools that can greatly enhance marketing strategies
- Is any symbol capable of identifying and distinguishing its owner's products from those of others... It's a **Brand**



Trademarks Overview (cont.)

- Protects consumer from counterfeit goods
- Lasts as long as you continue using it
- Standard of infringement: “consumer confusion”
- How to get a trademark?
 - Start marking sold goodsTM – common law
 - For ® - register with USPTO

Search before you invest!

What Makes a Strong Brand?

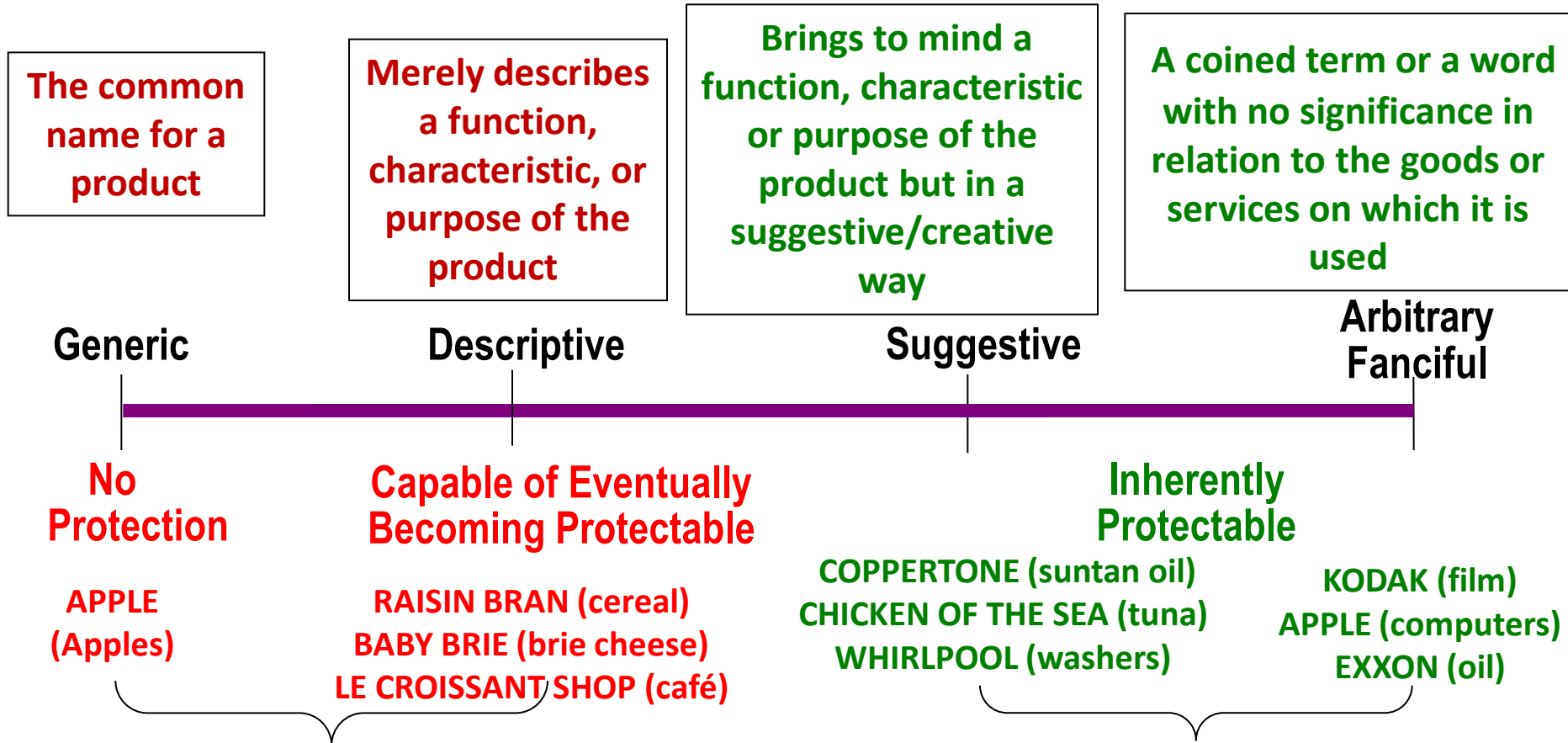
- Business and **LEGAL** Attributes of a Good Brand

- Appropriate
- Credible
- Appealing
- Relevant
- Memorable
- Enduring
- Easy to Pronounce

- ◆ **PROTECTABLE**
- ◆ **AVAILABLE**

Protectable Brands – Choosing Strong Brands

BRAND STRENGTH CONTINUUM

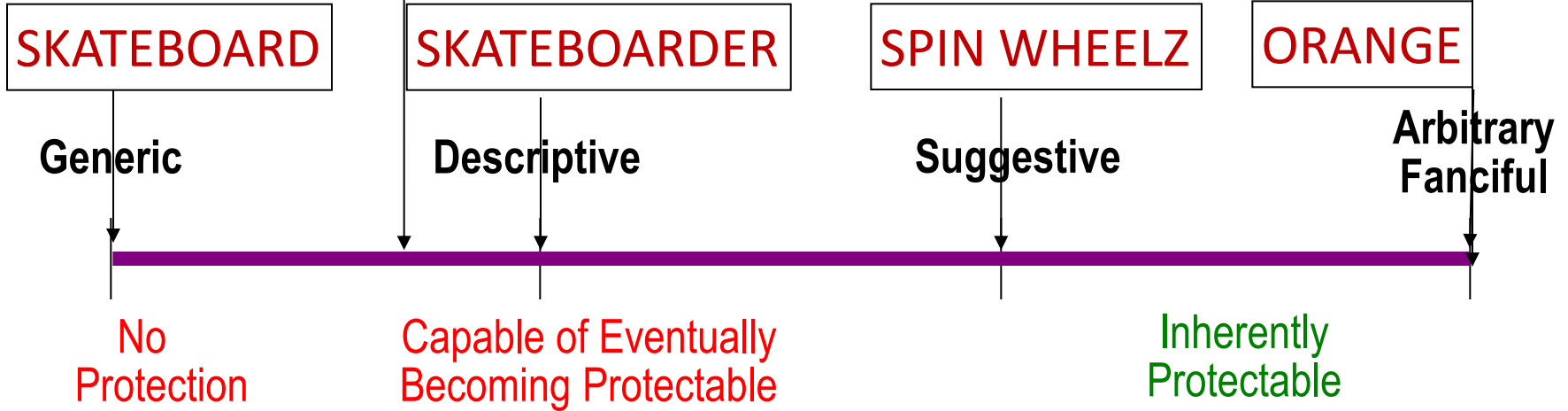
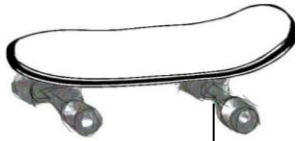


Avoid

WE WANT THESE!!

Protectable Brands – Choosing Strong Brands

EXAMPLE: Choosing a brand to use in connection with the sale of SKATEBOARDS



Is the Brand **Available?**

- Conduct a **Trademark Search** on both the Name and the Logo BEFORE Investing \$\$\$
 - Make sure no one else is already using a confusingly similar name/logo
 - Make sure that the name/logo is protectable and registrable as a trademark
 - One resource: Trademark Electronic Search System (TESS)
- Once name/logo is cleared, seek a **Trademark Registration**

Trademark Availability

- A trademark is not available if:
 - The mark or a confusingly similar mark is already federally registered or is the subject of a pending federal registration (assuming that the application is ultimately accepted);
 - or
 - The mark or a confusingly similar mark is already being used in the same market in connection with similar goods or services.

Information for Conducting a Good Search

- **What *goods or services*** is the brand being used with?
Future expansion?
- **Where** is the intended *geographic reach* of the brand?
- **Type of Brand** – e.g., house mark, product level mark, feature mark (ties into ability to change mark in the future if conflict)
- **Intended shelf life** of the brand

Trademark Registration

- File trademark application
- Cost of filing an application varies depending on the number of Classes applied for and number of jurisdictions
 - Trademark Offices divides the universe of goods and services into 45 different Classes
 - ~\$275 or \$325 per class
 - Unfortunately no worldwide trademark registration!

Why Register?

- Prima facie evidence of ownership and validity
- Incontestable status after five years
- Right to record the registration with the U.S. Customs and other foreign Customs to prevent infringing goods from being imported into the U.S./foreign countries
- Significantly enhances ability to enforce brand
- Viewed as an asset in a corporate portfolio

Proper Trademark Use

- Ensure that all marketing materials properly display trademarks
 - Provide proper notice using TM or ®
- Use trademarks as an adjective, not a noun
 - “Hand me a Kleenex tissue” vs. “Hand me a Kleenex”
- Use the brand consistently with how it’s filed

Important Tips & Considerations

- Do not accidentally steal someone else's copyrighted work
- If using a designer, obtain copyright to your logo/icon
 - Even if includes license for designer promotion
- Control authorized usage via appropriate **licensing**

Domain Names

- Register as trademark
- “Defensive” domain names
- Watching services
- Monitor domain name renewal deadline
- Obtain Trademark as Name on Popular Social Media Sites (even if not going to use)
 - Facebook, Twitter, etc.

Final Thoughts on Trademarks

- Chose a **Strong Brand** (Word and Logo)
- Conduct a **Trademark Search** Before Investing in the Brand
- Seek **Trademark Registrations**
 - Think about long term product and geographic expansion
- Properly **Use the Brand**
- Ensure **Quality Control**
 - Distributors/licensees/certification programs
- Secure **Domain Names**

Trade Secrets

(This material will also be covered in Class 6)

Trade Secrets

- Tools for keeping proprietary information confidential
- Just keeping it secret
 - NDAs, confidentiality agreements
- Make sure you can keep it secret!
 - Once the cat is out of the bag...

Trade Secrets

- Any formula, pattern, device, or compilation of information which is used in one's business and gives competitive advantage
- Comparison with other forms of protection:
 - Trade secrets are immediately protectable.
 - Uniqueness is not important; only competitive advantage.
 - Patent/copyrightable protection requires disclosure of confidential information.

Requirements of a Trade Secret

- **Have Value in your Business**
- **Not Generally Known**
- **Subject to Reasonable Measures to Maintain Secrecy**

Creating Rights in a Trade Secret

- Did the owner take reasonable precautions to keep the information secret?
 - Notification: Imperative the program be written and all key employees know. A Non-Disclosure Agreement can serve as the basis for recovery.
 - Identification
 - Security
 - Exit Interviews

Patent vs. Trade Secret

- **Considerations:**
 - **Independent Development**
 - **Reverse Engineering**
 - **Duration**
 - **Employees' General Knowledge and Skill**
 - **Federal Remedies**
 - **Cost**

Patent vs. Trade Secret (cont.)

- Disadvantages of Patents
 - Cost
 - Publication
 - 18 Months from Filing Date
 - Can be prevented

General Recommendations

- Patent Technology of Any Value
- Use Trade Secret Laws to Protect Against Disloyal Employees
- Use NDAs, Consultant Agreements (confidentiality & assignment of IP)
- Combine Aggressive Marking and Use of NDAs with Aggressive Patent Portfolio

Avoiding Liability for Misappropriation

- **Situations:**
 - **Hiring Employees from Competitors**
 - **Leaving Employment and Starting a Competitive Business**
- **General Principles:**
 - **An Employee Can Take His or Her General Knowledge, Skill, Experience**
 - **Cannot Take Anything Tangible Belonging to the Employer**

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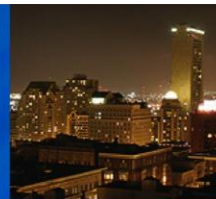
Orange County



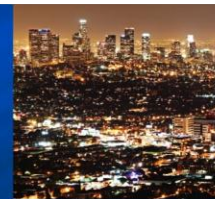
San Diego



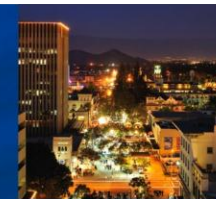
San Francisco



Silicon Valley



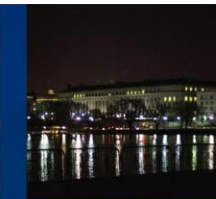
Los Angeles



Riverside



Seattle



Washington DC