

Intellectual Property Basics: What Every Higher Education Administrator Needs To Know

Amy C. Foerster, Partner and Co-Chair, Higher Education Practice Group
Joseph C. Guagliardo, Partner and Vice-Chair, Technology Practice Group
Joseph J. Holovachuk, Senior Attorney, Intellectual Property Department
Michael K. Jones, Partner, Intellectual Property Department

Pepper Hamilton LLP
—Attorneys at Law

Pepper Hamilton Higher Education “In Brief” Series

November 5, 2019

Amy C. Foerster

Partner and Co-Chair, Higher Education
Pepper Hamilton LLP

717.255.1108

foerster@pepperlaw.com

- ▶ Provides litigation, counseling and investigative services to colleges, universities and schools across the country, leveraging her broad higher education experience to provide practical advice in the myriad complex matters facing institutions of higher education
- ▶ Has provided extensive advice to colleges, universities and K-12 schools in areas such as Title IX and the Clery Act, employee and student misconduct, fundraising and major gift agreements, federal and state regulatory compliance, governing board activities and shared governance
- ▶ Before joining Pepper, Ms. Foerster was general counsel and chief of staff at Bucknell University.



Joseph C. Guagliardo

Partner and Vice-Chair, Technology Practice
Pepper Hamilton LLP

215.981.4865

guagliardoj@pepperlaw.com

- ▶ Advises on technology transactions and provides general counseling around technology and intellectual property commercialization
- ▶ Previously spent more than a decade at an international venture-backed financial technology (fintech) company, where he served in various technical and business roles in the design and implementation of capital markets trading and settlement software for banks around the world, including a senior management-level position overseeing a global team of software engineers and technology consultants.



Joseph J. Holovachuk

Senior Attorney, Registered Patent Attorney

215.981.4191

holovacj@pepperlaw.com

- ▶ Practice focuses on all aspects of intellectual property, Internet, and technology law, including patent, trademark, copyright, trade secret, and open source software matters
- ▶ Has advised clients on matters involving the sale and licensing of intellectual property rights, multi-tier licensing arrangements, software reseller arrangements, source code escrow arrangements, joint development arrangements, and the provisioning of technology services
- ▶ As a registered patent attorney, provides services for clients such as patent procurement, patent opinions (including freedom to operate, non-infringement, invalidity, and patentability), due diligence, intellectual property counseling and portfolio management.



Michael K. Jones

Partner, Registered Patent Attorney
Pepper Hamilton LLP

215.981.4405

jonesmk@pepperlaw.com

- ▶ A registered patent attorney, Mr. Jones' practice focuses on all aspects of intellectual property including strategic intellectual property counseling and portfolio management, patent procurement (including domestic and foreign rights), patent opinions (including freedom to operate, non-infringement, invalidity, patentability), IP due diligence, licensing, and enforcing and defending patent rights.
- ▶ Has counseled clients in a variety of industries and in a wide range of technologies and is experienced in helping higher education clients protect and commercialize the intellectual property developed by their researchers, faculty and students.



Audio

The screenshot displays the Cisco Webex Events interface. At the top, the title bar reads "Cisco Webex Events" with standard window controls. Below the title bar is a menu with "File", "Edit", "View", "Communicate", "Participant", "Event", and "Help". The main content area shows a video player with a red text overlay: "Audio should stream automatically on entry through your computer speakers". Below this, a banner reads "Pepper Hamilton Webinar". At the bottom of the video player, there is a logo for "Pepper Hamilton LLP Attorneys at Law".

On the right side, a "Participants" panel is visible, showing "Panelist 1" (Brian Dolan (Host)) and "Attendee" (Brian Dolan (me)).

At the bottom of the interface, there is a control bar with icons for mute, video, chat, and other functions. A "Audio Broadcast" dialog box is open, showing "24.7 Kbps" and buttons for "Pause" and "Stop".

Audio

The screenshot displays the Cisco Webex Events interface. At the top, the title bar reads "Cisco Webex Events" with standard window controls. Below the title bar is a menu bar with "File", "Edit", "View", "Communicate", "Participant", "Event", and "Help". The main content area shows a video feed of a webinar slide. The slide has a white background with a purple gradient bar at the bottom. The text on the slide reads: "If you cannot stream audio, click phone icon and a phone number will be sent to you" in red. Below this is a large purple gradient bar with the text "Pepper Hamilton Webinar" in white. At the bottom of the slide is the logo for "Pepper Hamilton LLP Attorneys at Law".

Overlaid on the bottom of the video feed is an "Audio Broadcast" control panel. It shows a status of "24.7 Kbps" and two buttons: "Pause" and "Stop".

At the bottom of the interface is a toolbar with several icons: a phone icon, a microphone icon, an upload icon, a participant icon, a chat icon, a more options icon, and a close icon. A tooltip is visible over the microphone icon, which is highlighted in blue.

On the right side of the interface is a "Participants" panel. It shows a list of participants under the heading "Panelist 1" and "Attendee:". The participants listed are "Brian Dolan (Host)" and "Brian Dolan (me)".

An arrow points from the text on the webinar slide to the microphone icon in the bottom toolbar.

Q&A

Cisco Webex Events

File Edit View Communicate Participant Event Help

BD
Brian Dolan (Host)

Viewing Pepper Hamilto... ▾

Click here to send questions to us

Pepper Hamilton Webinar

Audio Broadcast
24.7 Kbps
Pause Stop

Pepper Hamilton LLP
Attorneys at Law

Participants

- Panelist: 1
 - BD Brian Dol... (Host)
- Attendee:
 - BD Brian Dolan (me)

Q&A

**The webinar will be starting at approx. 12:00pm ET.
There is currently no audio until we start.**

We are on mute and will be starting in a few minutes.

Trademarks Are Not Just For Consumer Companies

- ▶ Any word, phrase, symbol or design, or a combination thereof, that identifies and distinguishes the source of the goods or services of one party from those of others

WHARTON



THE

- ▶ University trademark enforcement appears to be on the rise.
- ▶ How aggressive should you be?

IP Overview

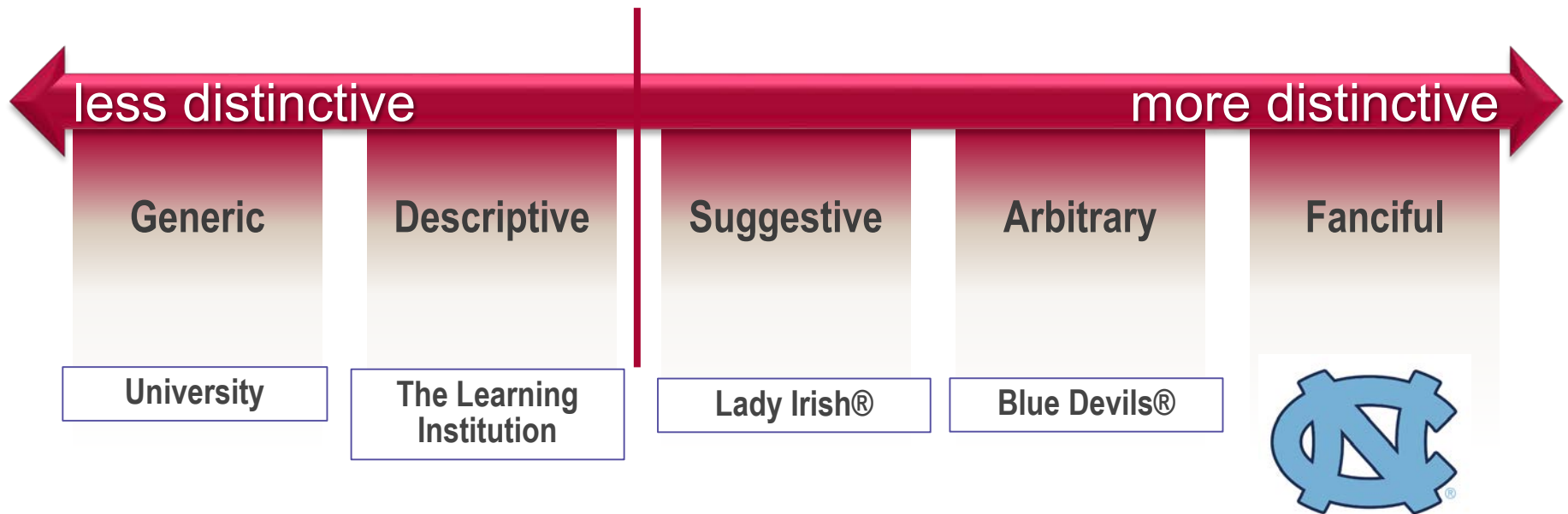
- ▶ What is Intellectual Property (IP)?
 - A business/commercialization tool
 - Asset preservation tool
 - Defense tool
- ▶ Forms of IP
 - Trademarks
 - Copyrights
 - Trade Secrets
 - Patents
 - Tech Transfer Offices / Licensing

Choosing A Trademark: Where Do I Start?

- ▶ Higher education: More than just a name
- ▶ How strong is your trademark?
- ▶ Which offers the broadest protection?

Trademark Selection

More distinctive = stronger mark



How To Clear A Trademark

- ▶ Is the mark available for use/registration
 - United States Patent and Trademark Office (“USPTO”) - third party search
 - Comprehensive search – includes common law
 - Domain name availability may be key
- ▶ **DO NOT RELY** on www.uspto.gov only
 - ABC University v. ABC College
- ▶ International considerations and filings
 - Strategic: Plan ahead
 - Defensive: Look at competition around the globe, if appropriate

The Mark Is Clear! Now what?

- ▶ Decide whether or not you want to register the trademark
- ▶ Common Law: Trademark rights in the US arise from use
 - But beware of another party commencing use
- ▶ Federal trademark registration: Benefits -
 - Notice and citable by the USPTO
 - Presumptive evidence that you own trademark and that it is valid
 - Exclusive right to use trademark nationwide
 - Ability to prevent others from using and registering a confusingly similar trademark
 - ***Creation of tangible asset of your trademark rights***
 - Preservation of ability to expand use of mark – zone of expansion, bridging the gap
 - Access to federal courts – statutory damages
 - Ability to stop importation of infringing goods (U.S. Customs)

Filing A trademark application

- ▶ Costs
- ▶ Filing
 - Goods/services
 - e.g. Harvard University owns over 100 trademarks for marks containing the term HARVARD that cover various goods/services.
- ▶ Examination by the USPTO
 - Timeline
 - Office actions
 - Use
 - Supplemental register

Brand And Trademark Protection

- ▶ Once protected, give notice
 - TM or SM
 - ®
- ▶ Actively police and enforce
 - Watch service

Trademark Enforcement: Causes Of Action

▶ Infringement

- Factors:

- Strength of mark
- Degree of similarity between the marks
- Proximity of goods/services
- Likelihood of senior user bridging the gap
- Actual confusion
- Defendant's bad faith
- Quality of Defendant's product
- Sophistication of purchaser

▶ Dilution

▶ Tarnishment

▶ False Suggestion

Trademark Enforcement: Monitoring Third Party Use

- ▶ Universities fiercely protect their trademarks
- ▶ Other Universities:
 - Mount St. Mary's University v. Mount St. Mary's University (LA)
 - USC
 - Acronyms
- ▶ Large Organizations:
 - 12TH MAN
 - Ohio State University v. Caesars License Company (THE SHOE)

Trademark Enforcement: Monitoring Third Party Use

- ▶ Other schools
 - North Carolina State - WOLFPACK
 - University of Minnesota – SPRING JAM
- ▶ Unlicensed counterfeit merchandise
 - Duke – DUKE’S FOLLY, DUKE’S CHOWDER HOUSE
 - Villanova – VIVANOVA
 - Penn State – NITTANY DOMI-NATION
- ▶ Use of Trademarks by University-Affiliated Organizations
 - Texas A&M – WE ARE THE AGGIE NETWORK
- ▶ Clear strategy + policy
- ▶ Trademark bullying? Beware of public opinion

Trademark Enforcement: Monitoring Through Licensing

- ▶ Licensing agreements (Merchandising)
 - Grant rights to use university name, logo, sports mascot, crest, seal, etc.
 - Clothing, home goods, etc. – the list goes on!
 - Collegiate merchandising – billion dollar industry
 - Promotion, increased revenue



Trademark Enforcement: Monitoring Through Licensing

- ▶ Reputation of university is paramount
- ▶ Merchandising: Choose reliable and reputable companies to produce quality products which will match image of university
- ▶ Key elements of license – Quality control is key
 - Non-exclusive – limit scope (products, geographic region, time)
 - Royalties
 - Submission of product samples
 - Regular inspection of licensee's facilities
 - Right of university to approve artwork
 - Certain products will not be approved
 - **Avoid a naked license**

Copyrights

Copyright is a form of protection grounded in the U.S. Constitution and granted by law for original works of authorship fixed in a tangible medium of expression.

Copyright Protection

- ▶ What does copyright protect?
 - **Original** work of authorship that is **fixed** in an any tangible medium of expression
 - Does **NOT protect ideas, facts, data, etc.**
- ▶ Types of copyrightable materials
 - Includes: software, databases, forms, websites, procedural manuals, etc.

Copyrights

- ▶ Under the U.S. Copyright Act of 1976, the owner of a copyright has exclusive rights to:
 - reproduce the work
 - prepare derivative works
 - distribute copies
 - display the work publicly
 - perform the work publicly

Copyrights

When does copyright protection under the U.S. Copyright Act arise?

When the work comes into existence the work is immediately protected and the author can immediately assert rights of ownership; neither registration nor notice of ownership is a prerequisite to ownership of copyrights.

Copyrights

- ▶ A “work made for hire” is a work made by an **employee** within the scope of his/her employment – the employer is deemed to be the author and therefore the owner of the copyright.
- ▶ A “work made for hire” is also a work which is **specially ordered** for any of the following and the author and other party agree in writing that the work is a "work made for hire": a contribution to a collective work, a part of a motion picture or other audiovisual work, a translation, a supplementary work, a compilation, an instructional text, a test, answer material for a test, a sound recording, and an atlas.
- ▶ Important Note – SOFTWARE IS **NOT** ON THE LIST.

Who Owns the Copyrights

- ▶ Software developed for a university...
- ▶ Tenured professor prepares scholarly work...
- ▶ Part time adjunct hired to prepare course outline...
- ▶ New work prepared with 'use of university resources' or 'significant or substantial use of university resources'. ...
- ▶ Classroom lectures by tenured professor...
- ▶ Video recording of a lecture prepared at the direction of University...
- ▶ Article written by student...
- ▶ Materials developed by student (part time employment)

Copyright Notices & Registration

- ▶ Neither is required for protection today, but both are recommended
- ▶ Elements of copyright notice:
 - © symbol or the word “Copyright” + copyright owner’s name + year of first publication (e.g., © ABC, Inc. 2019)
- ▶ Benefits to copyright registration:
 - Establishes a public record of important facts about the work
 - Necessary to bring a lawsuit
 - Eligible to collect statutory damages, attorneys’ fees and costs, if registered prior to infringement or within three months of publication
 - Prima facie evidence of validity, if registered within five years of publication
 - Eligible to record with U.S. Customs and Border Protection for protection against the importation of infringing copies

Fair Use Doctrine

- ▶ Defense that permits the unlicensed use of a copyrighted work for certain limited purposes, including for research, scholarship and teaching purposes
- ▶ Four-part test to determine whether an unlicensed use is fair use:
 - Purpose and character of the use
 - Nature of the copyrighted work
 - Amount and substantiality of the portion used in relation to the copyrighted work as a whole
 - Effect of the use on the potential market for, or value of, the copyrighted work
- ▶ Fact-specific inquiry
- ▶ All four factors are balanced; no single factor is determinative

Fair Use Doctrine

- ▶ *Reiner v. Nishimori*
 - A university and student's unlicensed use of a photo for an assignment
- ▶ *Cambridge University Press v. Becker*
 - A university's e-reserve system

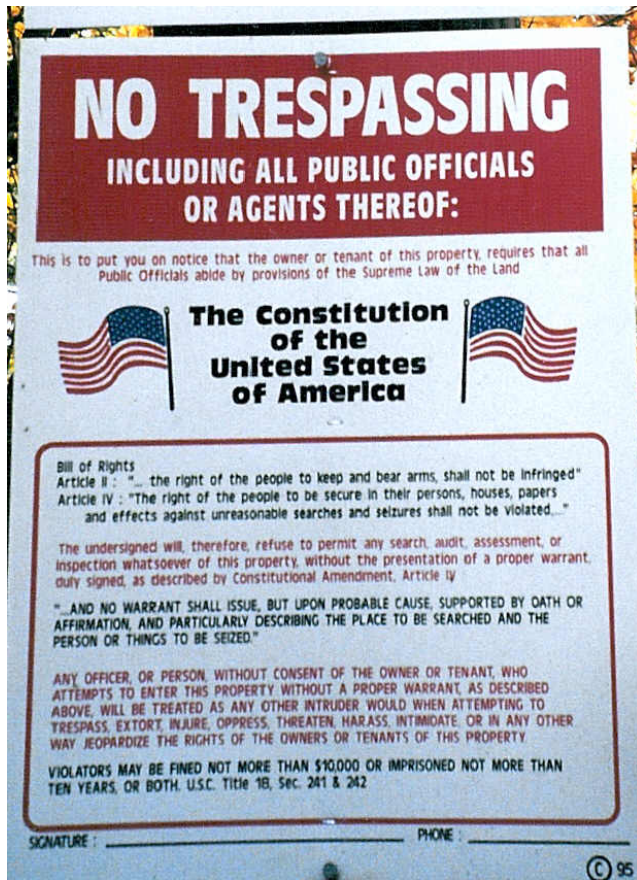
Trade Secrets

- ▶ A trade secret is confidential and proprietary information which a party desires to keep secret, e.g., customer lists, internal process which may or may not be patentable, recipes, financial data, and business plans.
- ▶ Must actively protect trade secrets
 - Take reasonable steps to protect trade secret
 - Limited access to the trade secret
 - Signed confidentiality agreements with third parties
- ▶ Relationship to patents....

What Colleges / Universities Need to Know about Patents

- ▶ What legal rights do patents provide (and not provide)? Who owns these rights?
- ▶ What types of inventions are patentable?
- ▶ What are the legal requirements for patentability? What problems can arise?
- ▶ What is the process for patenting an invention? Who is an inventor?
- ▶ Why are the claims so important?

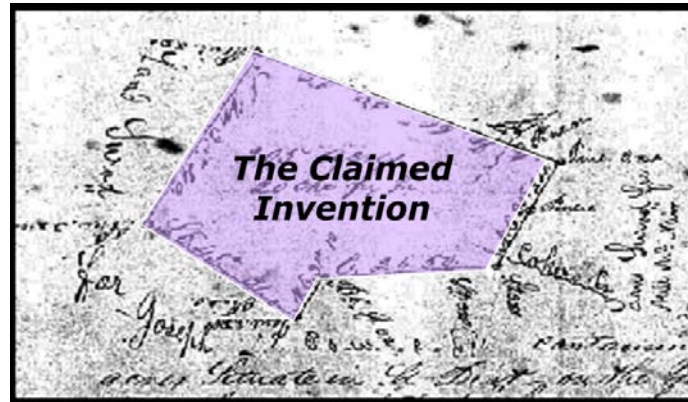
Patents Provide an Exclusive Property Right



- ▶ A patent DOES NOT confer to the owner the right to practice the claimed invention!
- ▶ A patent IS NOT a “Seal of Approval of Excellence in Technology” from the U.S. Patent and Trademark Office!

What is a patent?

- ▶ A patent generally includes:
 - a description of the invention
 - one or more drawings illustrating the invention
 - at least one claim defining the invention
- ▶ The claims provide the metes and bounds of the right that the patent confers to exclude others from “trespassing” on the invention.



What Types of Inventions are Patentable?

Patentable

“. . . any *new and useful* process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.”

Not Patentable

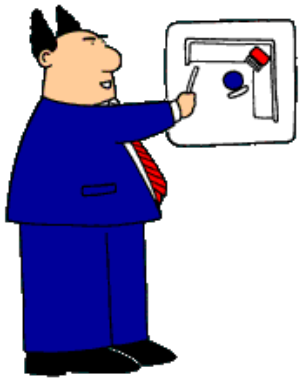
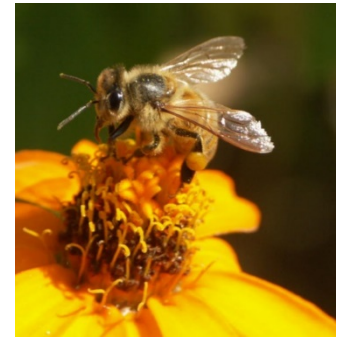
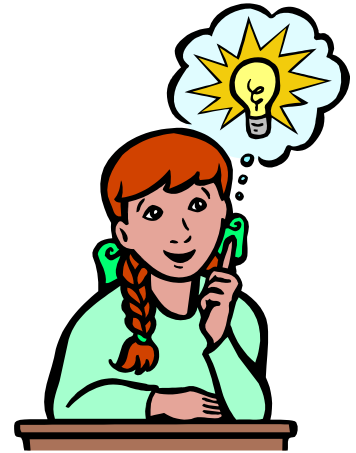
- ▶ Laws of nature
- ▶ Natural phenomena
- ▶ Abstract ideas

What Are the Legal Requirements for Patentability?

- ▶ Utility – it must be useful
- ▶ Novelty – it must be new
- ▶ Non-obviousness – it can't be a mere variation of what was done before
- ▶ Written Description – application must:
 - must fully disclose invention
 - must be enabling

Who is an Inventor?

- ▶ An “inventor” is simply a person who contributed to the intellectual conception of the claimed invention
- ▶ Who is not an inventor?
 - workers who merely do what is asked and report requested information to others
 - managers who merely suggest a goal to achieve, but not how to achieve it



Who is an Inventor? (continued)

▶ Example A:

- Faculty member has fully developed general concepts of an invention.
- Student works on a research project with the faculty member to test the invention and document results.
- The student's testing indicates that the invention works as expected.
- Faculty member is the sole inventor.

▶ Example B:

- Faculty member has developed general concepts of an invention
- Student works on a research project with the faculty member to test the invention and document results.
- While testing, the student identifies certain additional elements that are required to make the invention work.
- Faculty member and student are joint inventors.

How Patents are Obtained

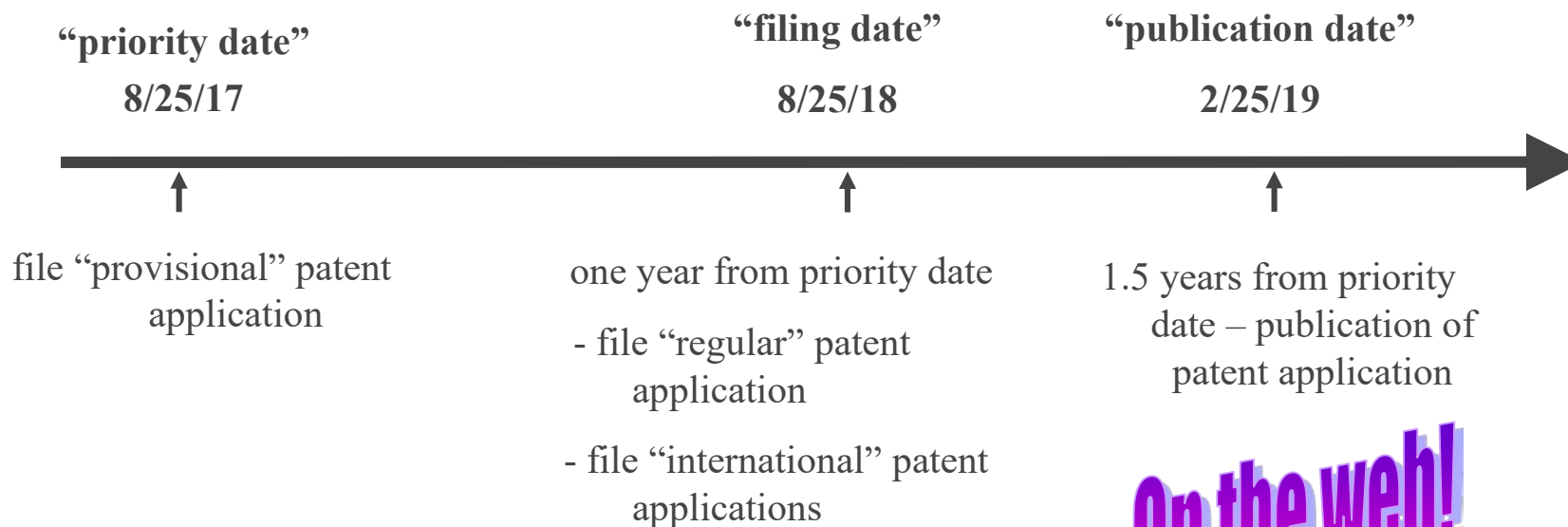
▶ Patent Preparation:

- Need to prepare (typically with the help of a patent attorney) an application for your invention that meets all the requirements for patentability
- Send it to the U.S. Patent and Trademark Office (<http://www.uspto.gov>)

▶ Patent Prosecution:

- The back and forth between an applicant and the U.S. Patent and Trademark Office

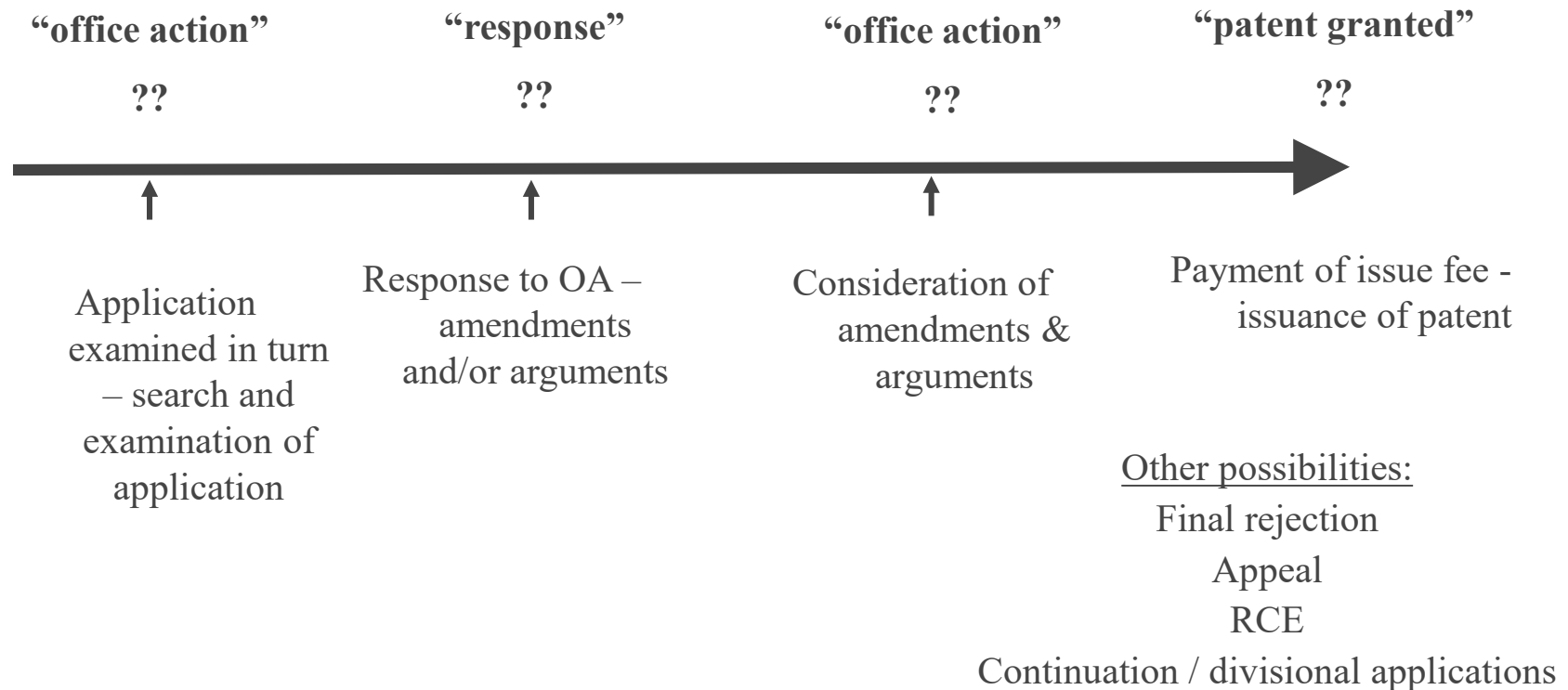
Typical Patent Application Timeline



Secret!

On the web!

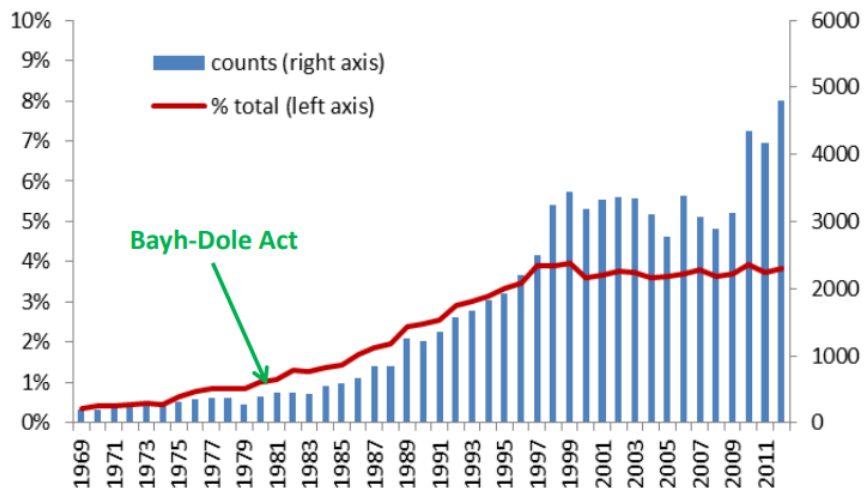
Typical Patent Application Timeline (continued)



Patent Issues to Address in an IP Policy

- ▶ A college or university should have a formal Intellectual Property (IP) Policy describing the rights and obligations of employees and other related individuals (e.g., students, post-doctoral or other fellows, etc.)
- ▶ Some questions that should be addressed by an IP policy
 - When and how should inventors disclose new ideas to the university?
 - What ownership rights does the university have in the invention?
 - Do the inventors receive any compensation if the patent is commercialized (e.g., a portion of any royalties)?
 - What obligations does an employee have with respect to collaborations with individuals not employed or not otherwise related to the college or university?

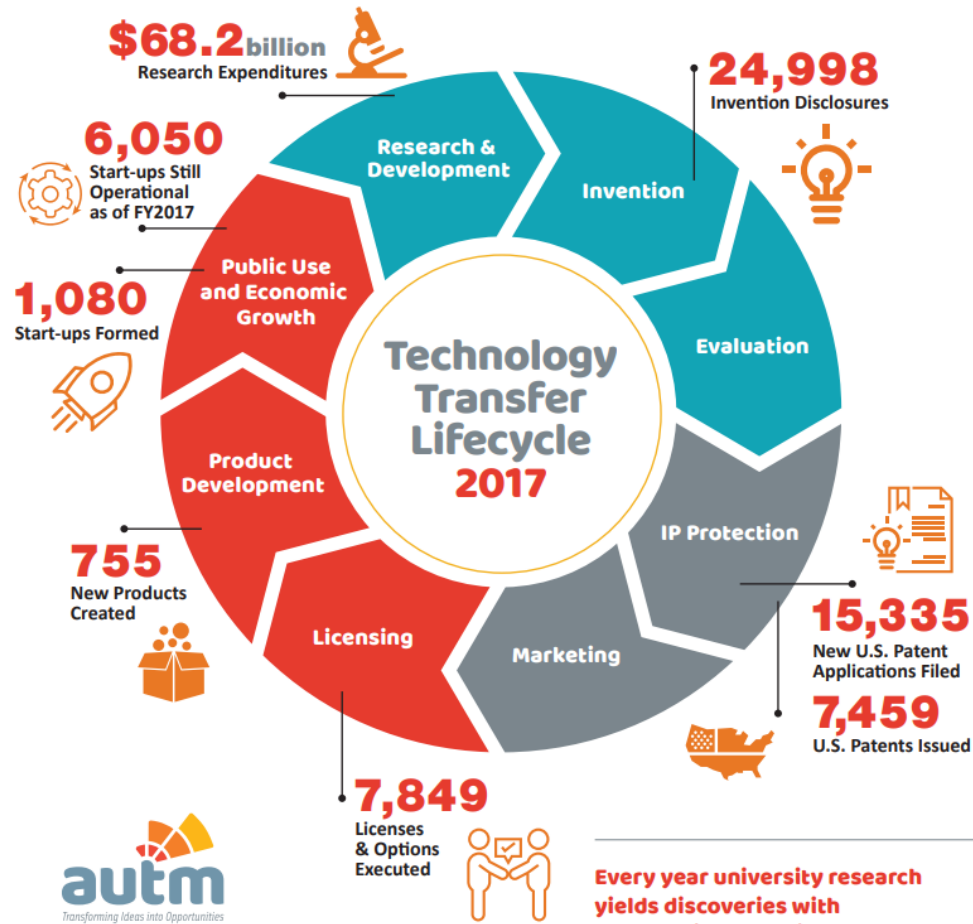
Ownership of Publicly Funded Inventions



- ▶ The Bayh-Dole Act governs rights in inventions made with U.S. federal government funding.
- ▶ Bayh-Dole permits universities and small companies to own inventions they make with federal funding.
- ▶ Funding agencies receive a license use these discoveries royalty-free for their own purposes.

Source:
https://www.wipo.int/edocs/mdocs/pct/en/wipo_pct_uni_ge_18/wipo_pct_uni_ge_18_martinez.pdf

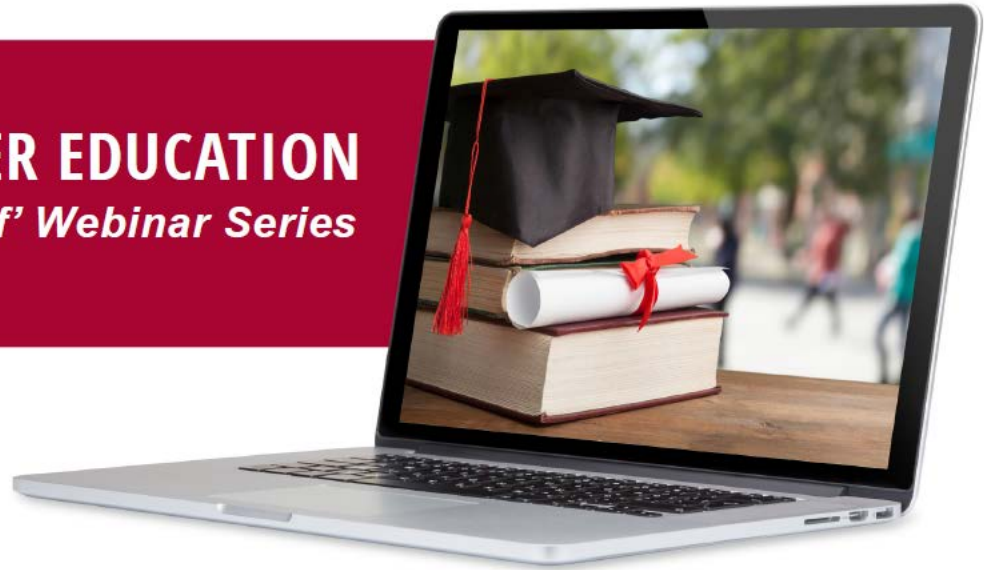
Technology Transfer Lifecycle



Questions & Answers

View Past Sessions!

HIGHER EDUCATION *'In Brief' Webinar Series*



All recordings from 'In Brief' webinars can be found on Pepper's Insight Center.

Email Brian Dolan at dolanb@pepperlaw.com to join the invite mailing list.

For more information, visit

www.pepperlaw.com