

AN INTELLECTUAL PROPERTY LAW PRIMER

by Joseph S. Beckman

Intellectual property. Most attorneys know just enough about patents, trademarks and copyright to know you patent an invention, trademark your product line and copyright your writing. It goes well beyond these simple axioms however, and that is where this somewhat obscure field of law gets dangerous. In this first of a series of articles, I'd like to introduce the basic building blocks of intellectual property. In future articles, I'll delve into each facet, hopefully answering questions posed to you in the course of your own practice.

I'm relatively new to Martin County, having lived here for less than two years and having joined the Martin County Bar Association less than three months ago. Before that, I engaged in a general civil litigation practice in Broward County. In 1995, my interest and involvement in computers and computer systems led me to write *The Small Business Computer Guide*, published by Butterworth-Heinmann Publishers. I was an early explorer of the Internet, using DOS systems to Telnet around, downloading my files through FTP or via FTPemail. More of my practice became devoted to software issues, trade secret and trademark issues and then Internet domain name issues. With my degree in biochemistry and being self-taught in computer hardware and software technology, in 1999, I took and passed the U.S. Patent and Trademark Office Patent Bar Examination. I've handled all manner of intellectual property matters ever since.

Patents grant a legal monopoly, for a limited period of time, under authority of the U.S. Constitution. A patent is a creature of federal law and the rights and laws exclusive to patents are solely a matter of federal concern. A patent grants the patent owner (patentee) the right to exclude others from making, using or selling the invention. There are three types of patents. A utility patent may be granted on any "new and useful process, machine, manufacture, or composition of matter or useful improvement thereof." 35 U.S.C. §101. While a utility patent protects the function of an article, a design patent protects the ornamental design of an article of manufacture, granting a monopoly on its appearance. A third type of patent is a plant patent, granted for the invention or discovery of a distinct and new variety of plant resulting from asexual reproduction. Hybrid, mutated and genetically enhanced plants and seedlings are often the subject of a plant patent.

Trademarks (marks) are words, phrases, designs, sounds, symbols, color combinations or any combination thereof (such as product packaging) that serves to identify the source of the goods identified with the mark. A Service Mark is the same, applied to a source of services. One mark can be used to identify a source of both goods and services. Trademarks and Service Marks are granted by both the federal government and each state government. Unlike patents and copyrights, trademarks can exist in perpetuity (notwithstanding the Rule against Perpetuities), provided the mark continues to be used in commerce or is not otherwise abandoned or misused.

While a federal trademark requires the mark to be used in interstate commerce, a state registration can be used to protect a local or regional mark from competitive use. Trade names (business names, which can include incorporations, partnerships and fictitious names) are closely associated with trademarks. While trade names perform many of the same functions of trademarks or service marks by identifying a business, they are not identical, instead serving to identify and differentiate the business entity rather than to associate a good or service with the entity. Nevertheless, a single mark can be used to perform both functions. Coca-Cola® is the company: it's also the product. I'll give Pepsi® the same courtesy, for those that favor the latter. The ® symbol means the mark is registered. A ™ symbol indicates that the word, phrase or design is being used, and claimed, as a trademark, but is not federally registered. The ℠ symbol performs the same function for Service Marks. While a trademark holder may sue for infringing uses of their mark, the primary focus in the grant of trademarks or service marks is to protect the public. The likelihood that the public may be misled or confused as to the source of a product or service by the misuse of trademarks is the linchpin of both federal and state trademark infringement law. An infringer is subject to claims for injunctive relief, damages and, in some instances, attorney's fees.

Copyright, much like patent, is an exclusively federal domain, granting an exclusive right to make, publish, distribute and publicly perform copies of original works of authorship or to create derivative works from the originals. While conventional wisdom suggests that copyright protection exists once a work is reduced to writing (or any other tangible medium, as in the case of software code written to disk), a copyright must be registered, or the subject of a registration application, at the U.S. Copyright Office before a party may sue in federal court for its infringement. A bonus is granted to those that register their copyrights immediately, or within three months of publication, in the form of statutory damages and attorneys fees for any infringement. The copyright symbol © can and should be used to identify original and derivative works, whether or not the work is registered with the U.S. Copyright Office. The term of a copyright varies, depending upon the date of creation, dates of publication and ownership. In any event, the terms are considerable and designed to afford a long and healthy life to the commercial value of the original work (Star Wars) and derivative works (Star Wars 2050). Copyright terms have occasionally been the subject of Congressional attention and are a morass of rules and exceptions. Recently, the U.S. Supreme Court has agreed to rule on the constitutionality of the Sonny Bono Copyright Extension Act; which once again extends copyright terms and would serve to extend copyrights existing since the beginning of the 20th century. That's a long life.

Trade secrets are a more familiar facet of intellectual property law. Where patents and copyright fail to protect information, ideas or concepts, trade secrets are the tool of choice. Most states, including Florida, have laws defining trade secrets. Chapter 688 constitutes Florida's Uniform Trade Secrets Act. A "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process that: (a) 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 (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. F.S. §688.002(4). Ideally, trade secrets should be protected by written agreements. Confidential information shared as part of a joint venture, partnership or customer relationship should be identified and subject to confidentiality. EULAs (End User License Agreement) traditionally contain prohibitions against the reverse-engineering of software to protect the trade secrets contained in the code. Employers should identify classes of trade secrets, commit their employees to acknowledge and protect these trade secrets, and then implement reasonable efforts to effectuate these employment policies. I recently read of a case where a judge refused to recognize trade secrets when the employer failed to implement reasonable security measures, including password protection, for the computer software at issue. The law imposes an obligation to treat and take your trade secrets seriously. In return, the trade secret holder is entitled to injunctive relief, damages, including exemplary damages or a reasonable royalty in appropriate circumstances. The court may also award attorney's fees.

Internet domain names are all the rage. Acting as "virtual real estate", domain names have many characteristics in common with trademarks. Many times, however, they are not subject to federal or state trademark protection, leaving a trademark holder high and dry when their mark is used in cyberspace. Congress addressed some of the issues raised by domain name misuse in the 1999 Anti-Cybersquatting Consumer Protection Act, codified at 15 U.S.C. §1125(d). While the statute incorporates many elements concerned with public protection from confusion or misuse of the mark to promote goods or services not affiliated with the mark holder (trademark concerns), it also attempts to address, and protect, the many instances in which the use of another's mark may be governed by First Amendment principles or subject to otherwise fair use. Recognizing that domain registrants may not be within the personal jurisdiction of U.S. courts, the Act provides for in rem jurisdiction over the domain name. 15 U.S.C. § 1117 further provides for an election of statutory damages, saving the trademark holder the often difficult burden of proving damages arising from their inability to use the domain name pending judgment. Attorney's fees are awardable, as in trademark infringement cases, where the matter is exceptional, a term of art suggesting willfulness or recklessness on the part of the infringer.

As you might imagine, this is only the most cursory look at intellectual property. Please forgive me if I have not answered a question you may have or, better yet, email me and ask for an article answering the question. In addition to the foregoing, there are the many statutory and common law remedies available for the protection of intellectual property and information. The federal Computer Fraud and Abuse Act or the Economic Espionage Act are two examples that address intellectual property protection in America's embrace of a digital future. Many of these building blocks serve to supplement one another. A design patent may supplement protection afforded under trademark law. Copyright, trade secrets and even utility patents may work together to protect different aspects of a single business asset. Software is a good example of

this. Most businesses can readily see the value of protecting their names, product lines and slogans with trademarks. They may be less cognizant of the competitive advantages in patenting manufacturing processes or methods, registering copyright on their web page content or including confidentiality provisions in customer contracts. At the same time, they may find themselves unpleasantly surprised to find out that the web site content they paid for is copyright and owned by the web developer. They may even find themselves sued for patent infringement on a new product line in which a heavy investment of time and money is already committed. In the end, intellectual property law serves to promote and protect innovation and imagination, providing a competitive, commercial advantage to its holders.

Joseph S. Beckman is a member of the Florida and Massachusetts State Bars and a registered Patent Attorney before the U.S. Patent and Trademark Office (U.S.P.T.O). He practices primarily in the field of intellectual property law, representing clients before the U.S.P.T.O. and in litigation in state and federal courts. He may be reached for questions or comments at 561-776-9703 or jbeckman@IntellectLawGroup.com.

This article is, of course, Copyright © 2002 Joseph S. Beckman.