

BROOKS | KUSHMAN
INTELLECTUAL PROPERTY LAW

Intellectual Property Breakout Session

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IP Overview - What is intellectual property?

- Intellectual property refers to rights in creations of the mind: inventions, literary and artistic works, and symbols, names, images, and designs used in commerce.
- IP rights afforded to the creator: the exclusive legal right to the work given to the creator to encourage innovation and creativity

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Forms of Intellectual Property

- Patents-inventions
- Trademarks-name/design that identifies a good or service
- Copyright-literary and artistic works
- Trade secrets-valuable business information

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Historic significance of intellectual property

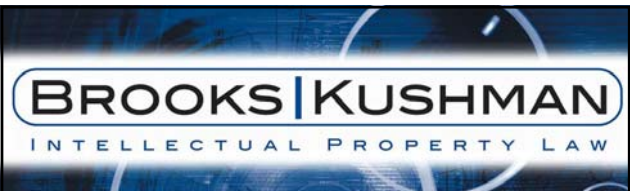
- Patent/copyright grant arises out of Constitution
- First patent issued in 1790
- Today: Patent and Trademark Office receives annually 326,000 patent applications and 232,000 trademark applications
- 6.3 million patents have issued in the past two centuries

Current Role of Intellectual Property

- Importance of technology and information in today's competitive business environment
- Estimated loss attributable to misappropriated technology = \$50 billion dollars annually

Recent Intellectual Property Headlines

- On the 25,027th day of its existence, AT&T was awarded its 25,000th patent, averaging about 480 patents a year
- NIH arguing with University of Utah and Myriad Genetics over patent rights to the discovery of the BRCA1 breast cancer susceptibility gene
- Texas Instruments cracking down on Taiwanese makers of dynamic RAMs, seeking patent royalties as much as \$383 million per year.



Patents The Basics for Protecting Inventions

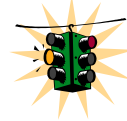
Presented by: Stephanie M. Mansfield

What is a patent?



- A right granted by the federal government to exclude others from making, using, or selling the patented invention for a limited period of time.
- In exchange, the public benefits by having the inventor's disclosure of his new and useful discovery

What a Patent is Not



- Not self-enforcing
- Does not guarantee the owner the affirmative right to make, use, or sell his own invention

Patentable Inventions



- Solution to a problem
- The solution must be:
 - The proper subject matter
 - Useful
 - New
 - Not Obvious

Types of Patents



- Utility
 - Process, machine, article of manufacture, composition of matter
- Design
 - Ornamental appearance of a product

Utility vs. Design Patents



Utility

- **Term:** 20 years from filing date of application (maintenance fees required)
- **Claims:** Multiple claims which provide the legal description defining the boundaries of the invention
- **Publication:** 18 months after filing

Design

- **Term:** 14 years from issuance of patent (no maintenance fees)
- **Claims:** Single claim directed to the application drawings
- **Publication:** None - held in secrecy until issuance

Claim Examples



Utility Patent

An apparatus for supporting objects, comprising:
a generally planar support member; and
at least three legs attached to a bottom surface of the support member.

Design Patent

The ornamental design for a table, as shown and described.

Provisional Patent Applications



- **Advantages**
 - Can file quickly
 - Inexpensive (lower USPTO fees, attorney fees)
- **Requirements**
 - No claims required
 - Not examined by the USPTO
- **Term**
 - One year (not counted in 20 year patent term)
- **Potential pitfall**
 - Must disclose invention sufficiently to support later claims

Protecting the Invention



- Document the invention in a written record:
 - Description of the invention
 - Date of the invention
 - Signatures of inventor(s) and one or more witnesses
- Non-disclosure agreement
- Neither a working model nor experimental verification of the invention are necessary
- Invention Submission corporations

Filing a U.S. Patent Application

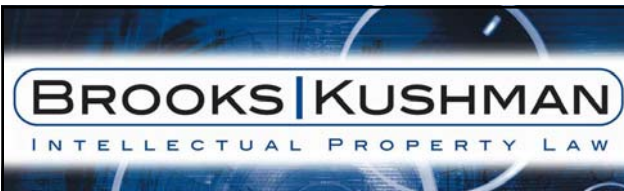


- Within one year of first:
 - Publication anywhere in the world
 - Public disclosure/use in this country
 - Sale/Offer for sale in this country
- Prior art search is recommended, but not required
- Obtain:
 - Ability to mark products as “Patent Pending”
 - Examination of application

Obtaining a Patent



- Cost for preparation and filing of application:
 - ~\$6,000 - \$8,000
- Time from filing to issuance
 - ~18 – 36 months



Trademark Rights Clearance, Use and Registration

Presented By: Robyn S. Lederman

What is a trademark?

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- **A trade name is a company name.**

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- **Non-traditional trademarks:**
 - Sound

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- **Non-traditional trademarks:**
 - Sound
 - Smell

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Why Trademark Issues Are Important to Your Client?

- Not because they are especially creative or novel
- But because they signify a single source of a product and a level of quality to customers
- Protects reputation and goodwill

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Believe It or Not – Play Defense!

CLEAR CLEAR CLEAR

- Don't get caught in another's fire
 - Determine whether someone else has prior rights to the mark
 - Secure right to use your own name
 - BEFORE going to print with product literature
 - BEFORE launching web site, etc.

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Clearance Searches

- Resources
 - Trademark registries
 - Business directories
 - Domain name registrations
 - International register
- Limitations – Not Conclusive
- Purpose – identify level of risk

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“No No” Names in General

- Names of others
- Geographic
- Three letters not pronounceable
 - There are well-known exceptions to the rule, such as IBM
- Highly descriptive
 - Should remain free for others in relevant trade
 - e.g. Apple for computers is OK, but Apple for a fruit stand is not
- Clever misspellings of otherwise unusable marks (koke)

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Not All Marks Are Created Equal

Type	Mark
Coined	Exxon; Kodak; Reebok; Tylenol
Arbitrary	Camel (cigarettes); Nice (telecom); Apple (computers); Guess (jeans)
Descriptive	JobINFO
Merely Descriptive	Jet Floss (oral hygiene device)
Generic	Chocolate (chocolate)

- Through use a mark can start as coined or arbitrary and over life of mark can become generic if not properly used or protected. ASPIRIN, XEROX, JACUZZI, KLEENEX. In new industries, marks can become generic very fast (hi-tech and wellness).

A Happy Medium

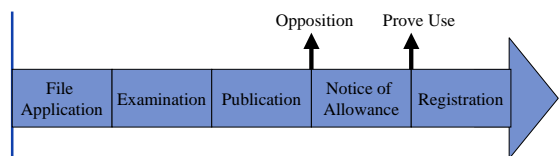
Type	Mark
Coined	Exxon; Kodak; Reebok; Tylenol
Arbitrary	Camel (cigarettes); Nice (telecom); Apple (computers); Guess (jeans)
Suggestive	Pentium (suggests quick, Latin for 5); VISA (suggests ability to move around); NIKE (god of flight); WRANGLER (jeans)
Descriptive	JobINFO
Merely Descriptive	Jet Floss (oral hygiene device)
Generic	Chocolate (chocolate)

A Trademark Workout – Strengthen A Mark

- Strengthen by proper use
 - ® = registered, ™ = using as a mark
 - Coupled with a noun, as an adjective
 - Consistent fonts
 - Trademark notice
- Strengthen by registration
 - Importance of marks
 - Importance of markets
 - Race countries (DE, FR) v. Use countries
 - Enforcement and other considerations



Timeline



- Need not be in use at time of filing
- Average time frame: 1-3 years
- Renewed every 10 years

Cost of Filing



U.S. – \$750
Europe – \$2,500 (CTM – 25 countries)

- Prosecution cost: 1-4 times filing costs
- Budget considerations
 - Costs are spread across life of prosecution
 - Can wait six months to file in other countries and still claim benefit of original filing date

Pitfalls



- Registration of a business name does not mean client owns trademark rights to the name
- Domain name registration does not translate to trademark ownership
- A famous mark can prevent trademark registration and use even if for very different goods and services.
- Failure to properly “use” a mark can result in creating a generic term
- Misuse of a trademark belonging to a third party can result in serious consequences
- Using an ® on an unregistered mark can result in claims of fraud.
- Foreign words or english words with meaning in foreign language should be considered for connotation.

Other Trademark Considerations: Trade Dress, Domain Names, and Enforcement Issues

Presented by: Anessa Owen Kramer

What is trade dress?

- The overall “look and feel”
- Can be product packaging, or product design
- Can include color, arrangement, configuration
- Examples: McDonald’s restaurant, shape of a COKE bottle, overall layout of Reader’s Digest, a GOLDFISH cracker



Product Packaging vs. Product Design

- Must be non-functional (i.e., not essential to use or purpose); AND
- Must be Distinctive:
 - *Product packaging*: Can be inherently distinctive and protectable without any additional showing of consumer recognition
 - *Product Design*: Must prove through “secondary meaning” (i.e., customers recognize as “source identifying”).



Domain Names

- Where do issues arise?:
 - Often, third-party use of your client's business name as a domain name
- Possible causes of action:
 - Trademark Infringement (likelihood of confusion)
 - Cybersquatting: civil liability for one who registers, traffics in, or uses a domain name that is identical or confusingly similar to another's trademark (provided that mark was distinctive at the time the domain name was registered)



Domain Names

- Possible means of resolving:
 - Demand letter
 - Litigation
 - Alternative dispute resolution: if the domain name is one administered by ICANN (Internet Corporation of Assigned Names and Numbers), the Uniform Dispute Resolution Policy is available (arbitration)
- Standards for prevailing:
 - Both cybersquatting and UDRP require showing of bad faith.



Trademark Infringement: “Likelihood of Confusion”

- The test of trademark infringement is **LIKELIHOOD OF CONFUSION**
- Not actual confusion, but only a “likelihood”
- Any significant number of buyers with respect to either the source or sponsorship of the product or service
- Intent: To protect the interests of **CONSUMERS**
- You do not need a registration to allege trademark infringement



Factors Relevant to Likelihood of Confusion

- *Varies by jurisdiction, but typically includes:*
 - Similarity of marks (sound/meaning/commercial impression)
 - Similarity of goods/services
 - Strength of plaintiff's trademark
 - Consumer sophistication
 - Price of goods
 - Channels of Trade
 - Evidence of Actual Confusion
 - *Intent is not required, but may be probative*

Examples: Confusion Likely

- VELVET ELVIS 60's theme nightclub
- MIRACLE WHIP v. SALAD WHIP
- PLAY-DOH v. FUN DOUGH

Examples: No Likelihood of Confusion

- CREAM OF WHEAT v. CREAMY WHEAT (both cereal)
- FRUIT OF THE LOOM (clothing) v. FRUIT OF THE EARTH (personal care products, e.g., shampoo)

Policing Your Trademark



- Required to maintain strong, protectable trademarks
- Failure to police can result in loss of rights!!!
 - Generic (e.g., ESCALATOR, YO-YO)
 - Use by others of identical or similar marks for identical or related goods/services weakens the scope of protection for a mark

Pre-enforcement Considerations

- INVESTIGATION IS CRUCIAL! Make sure your client has prior rights.
- How much to ask for? Total capitulation, permit use but not registration, use in specific format, use for certain goods, etc.
- Risk of declaratory judgment action

Copyright, Trade Secrets & IP Litigation

Presented by: Sangeeta G. Shah

Copyrights

- Purpose: To promote the “useful arts” by providing economic incentive for creative activity
- Origin of Rights:
 - A copyright arises upon expression of ideas and thoughts in the form of a writing or work.
- Prerequisites to protection:
 - Rights exist upon creation
 - Originality and creativity

Copyright

- Copyrightable subject matter:
 - literary works(including computer programs)
 - musical, dramatic and choreographic works
 - pictorial, graphic and sculptural works,
 - audiovisual works (motion pictures, videogames)
 - sound recordings
 - architectural works
- Term: Authors of copyrights are given exclusive rights for 70 years + life of author

Copyright

- Notice
 - Not required, but recommended
 - "Copyright" or ©
 - Name of copyright owner
 - Year of first publication
- Copyright registration
 - Not necessary, but recommended
 - applications are promptly registered, inexpensive (\$100-\$200)



Copyright

- Who is an author?
 - Individual author
 - Joint authorship
 - Works made for hire - employer considered to be the author
 - Employee/independent contractor analysis



Copyright infringement

- Test for Infringement:
 - Ownership
 - Copying
 - Actual evidence
 - Access/Substantial similarity
- Defenses to infringement
 - Independent creation
 - Fair use defense
 - Statute of limitations (3 years)
 - First sale doctrine



First use defense

- Fair Use exception
 - Use for purposes of criticism, comment, news reporting, teaching, scholarship, and research
 - Test for Fair Use: Purpose of use, nature of work, amount used, effect on market, or value of original work



Trade Secrets

- Definition:
 - Any formula, pattern, device, or compilation of information used in a business that gives an advantage over competitors who do not know or use it
- Scope of Protection:
 - Confidential subject matter
 - Best for processes and formulations which are not susceptible to reverse engineering
- Term:
 - Life of confidentiality

Trade Secrets

- How to determine trade secret status
 - How many persons know the secret within the business
 - What measures has the company taken to protect the secret
 - How valuable is the information to the company
 - How much effort or cost to develop/ acquire the secret
 - How difficult would it be for a competitor to acquire or duplicate the information
 - How widely known is the secret outside of the business

Intellectual Property Litigation - Infringement

- Direct Infringement - if you make, use, offer for sale or sell the infringing device or a device that incorporates the infringing method
- Inducement to Infringe - if you induce someone to infringe and they actually infringe
- Contributory Infringement - persons who aid and abet direct infringers without themselves making, using, offering for sale or selling the patented invention

Patent Infringement Remedies

- Injunction
- Lost profits
- Reasonable royalty
- Treble damages
- Attorneys' fees
- Equitable defenses
 - Inequitable conduct
 - Laches
 - estoppel

Summary Table

	Scope of Protection	Term	Test for Infringement
Utility Patent	Useful process, machine article of manufacture or composition of matter	20 years from date of original application	Manufacture, use, offer for sale or sale in U.S. of claimed invention. Also use or sale in U.S. of invention made outside U.S. by patented process
Design Patent	Ornamental design for article of manufacture	14 years from date of grant	Designs look alike to eye of ordinary observer
Trade Secret	Confidential subject matter	Life of confidentiality	Derivation
Trade Name Trademark Service Mark	Words, names, symbols or devices	As long as property used as a mark	Likelihood of confusion, mistake or deception
Copyright	Works of authorship	Variable; generally, life of author plus 70 years	Variable; generally, life of author plus 100 years

Useful websites

- www.uspto.gov-
– U.S. Patent and Trademark Office website
- www.loc.gov/copyright-
– Copyright Office website
- www.brookskushman.com- links to key intellectual property websites



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