

Intellectual Property Overview

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November 9, 2007

IP Generally

What is IP?

- Intangible rights
- Can be embodied in tangible objects

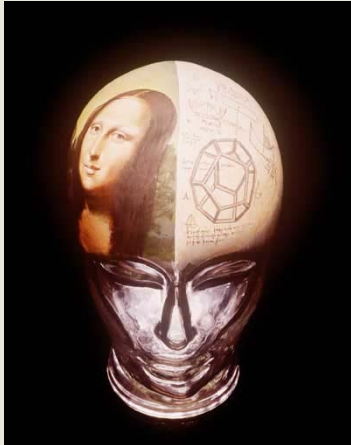
Why have IP?

- Encourage creation to benefit society
- Balance of interests

Why do companies protect their IP?

- Protect valuable assets
- Restrict the competition
- Increasingly important

Primary Types of Intellectual Property



- Patent
- Copyright
- Trade Secret
- Trademark

Patent

Definition (in plain English):

A bargain in which, in exchange for publicly sharing the details of an invention, the government grants the inventor a monopoly on the practice of the invention for a limited time.

Right to make (and have made), use, sell, import for 20 years from filing date

Three types: utility, design, plant

What Can Be Patented?

Any invention that is patentable subject matter and is:

- useful
- novel
- non-obvious

Patentable Subject Matter

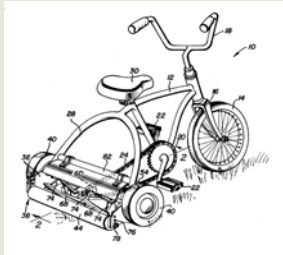
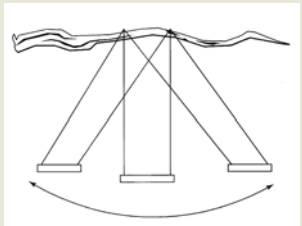

Any "process, machine, manufacture, or composition of matter, or any new or useful improvement [thereof]."

"Anything under the sun made by man."

Does not include:

- laws of nature
- natural phenomena
- abstract ideas

Usefulness (Utility)

Tricycle Lawnmower	Method of Swinging on a Swing (Side to Side)	Beerrella
		

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Novelty and Nonobviousness

Novelty: not "anticipated" by "prior art" showing or describing the claimed invention

Nonobviousness: cannot be trivially different from existing inventions (i.e., obvious to those of ordinary skill in the art)

- Difference between prior art and challenged claims
- Level of ordinary skill in the art
- Objective factors (commercial success, failure of others, long-felt need, unexpected results)

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Bars to Patentability

Even if an invention meets the requirements for patentability, it will be barred from patent protection if, more than one year before the application is filed, the invention is:

- patented or described in a printed publication available anywhere in the world
- in public use in the United States
- on sale in the United States

Foreign jurisdictions can have other, stricter requirements

Can lose priority in U.S. if not diligently reduced to practice

Patenting Process

U.S. Patent & Trademark Office

PCT applications – national phase

Provisional

- Quick and relatively inexpensive
- Temporary

Regular

- Lengthy prosecution process
- Expensive
- Application secret for 18 months, then published

Who Owns It?

My employee invented it ... I own it, right?

- Not necessarily! Patents are issued to individual inventors, not their employers
- If company wants to own a patent, the inventor needs to assign it to the company
 - In writing
 - At the time of hiring
- No written agreement: “hired to invent” (employees only) or “shop rights” (employees and independent contractors)

Copyright

What is it?

Three basic requirements

- A “work” in a tangible medium
- Must be original
- Must show some creative expression

Cannot copyright:

- Works not fixed in a tangible medium
- Titles, names, short phrases, and slogans
- Procedures, methods, ideas, or concepts
- Works consisting entirely of common information and containing no creativity

Copyright Gives an Owner a Monopoly on Certain Rights

Exclusive right to:

- Reproduce the work (i.e., make copies)
- Make derivative works based upon the work (i.e., use the original work as part of a new work)
- Perform the work publicly
- Display the copyright works publicly

Important to separate copyright rights from the tangible work product

- Buying a CD
- Sculpture buyer who creates posters

How Do You Obtain Copyright Protection?

Copyright protection exists the instant any creative expression is "fixed in a tangible medium."

- Software code
- Photograph taken with a camera
- Macaroni glued to construction paper

No registration requirement, but registering can be appropriate in some cases

- Statutory damages of up to \$30,000 per work infringed (\$150,000 if willful)
- Attorney fees
- Presumption of validity and ownership

Copyright Notices

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No longer necessary, but still useful

- Prevents “innocent infringer” defense
- Tells people who to contact to seek a license
- Demonstrates awareness of copyright law and a commitment to protecting the work

Who Owns the Copyright?

Work for Hire

- If a work qualifies as a work-for-hire, then the person who paid for the creation of the work owns all of the copyright rights.
- Two types of work-for-hire
 - ▶ Employer/employee
 - ▶ Independent contractor

Obtain Copyright Assignments

Good development agreements often include work-for-hire language and assignment language

Assignments and exclusive licenses to copyrights need to be in writing

Should assign ownership of all tangible property as well as all intellectual property in the tangible property

Trade Secrets



- Governed by state law
- Confidential information that:
 - has independent economic value
 - because it is not generally known by others who could exploit it, and
 - is the subject of reasonable efforts to maintain its secrecy

How Do I Protect My Trade Secrets?

Keep them secret!

- Safeguards
 - Administrative
 - Technical
 - Physical
- Mark confidential documents
- Enforce your policies
- Noncompetition, nonsolicitation provisions
- Confidentiality agreements



Trademarks



The purpose of trademarks is to protect brands.

Trademarks identify to the public a single source of a product so that consumers know that they're buying from that one source.

- Words
- Designs
- Sounds
- Colors

How Do I Get Trademark Rights?

- Trademark rights are created by actually using the mark to identify goods or services
 - Market-specific
 - Territorial scope
- Registration
 - Not necessary but can be beneficial
 - U.S. Patent & Trademark Office
 - State registration – Secretary of State
- Caution: business and domain names

Spectrum of "Distinctiveness"

Aspirin
Rollerblades
Kleenex

Speedy Printing
Consumer Reports

Sweet Dreams Pillow
Duraflame

eBay
Apple



Generic

Descriptive

Suggestive

Arbitrary/ Fanciful

Identifies type of product or service

Describes some aspect of product or service

Connotes or suggests something about product or service, but indirectly or in an unusual fashion

Has meaning, but no relevance, or coined word without any meaning

Taking Care of Your Trademark

Don't let it become generic

- Xerox
- Kleenex
- Band-Aid
- Jell-o



Don't abandon it

Keep an eye on infringers - failure to police can result in loss of the single source distinction and loss of the trademark

Summary: Types of Intellectual Property

Form of IP	What does it protect?	What's the purpose?
Copyright	Creative expression in any medium	Provide an incentive for authors to create and publish works
Patent	New inventions and discoveries	Provide an incentive to invent and promote public disclosure of inventions
Trade secret	Undisclosed methods, ideas, and other information	Promote the creation and use of new methods; discourage improper business practices
Trademark	Brands and other source-identifiers	Protect consumers' expectations that goods will be of a certain quality

Summary: Obtaining and Keeping IP Rights

Form of IP	Difficult to get rights?	Cost to register?	How long to get rights?	Length of protection
Copyright	Easy	Free until you register. Less than \$200 if you register	Rights exist instantly	Generally, 70 years after the author dies
Patent	Hard	Expensive (Anywhere from \$5,000 - \$25,000 and up)	2-3 years after filing	20 years from filing date
Trade Secret	Easy (but must be diligent to keep)	No registration process	Rights exist instantly	Can be perpetual
Trademark	Relatively easy (unless mark is descriptive)	Free if you don't register. Registration is \$1,000 - \$2,000 and up	Some rights exist instantly. Registration takes 12 – 18 months	Can be perpetual

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Myths about Intellectual Property

- I paid for it, so I own it.
- My product can't infringe, because I have a patent.
- I can use pictures on the Internet, as long as I give the author credit.
- I can use a song, as long as I use less than [5][10][100] notes.
- I invented it, so it must be mine!
- The source code was on the Internet, so I can use it, right?
- I can use it, it's "fair use."

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Questions?


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