INTELLECTUAL PROPERTY BASICS (US)

CONFIDENTIAL

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01 DEFINITION OF INTELLECTUAL PROPERTY

DEFINITION OF INTELLECTUAL PROPERTY

Intellectual Property (IP) generally refers to creations of the mind: inventions; literary and artistic works; and symbols, names and images used in commerce.

Corporate IP includes copyrights, trademarks, trade secrets, patents, as well as other business related things such as methodologies, goodwill, and brand recognition.

Intellectual property rights allow creators, or owners, of the IP to benefit from their own work or investment in a creation.

- **Copyright Act (17 USC §101 et seq.)**
- **Trademark Act (15 USC §§ 1051 et seq.)**
- **Defend Trade Secrets Act (18 USC §§ 1836 et seq.)**
- **America Invents Act (35 USC § 100 et seq.)**

02 COPYRIGHTS

COPYRIGHTS

- **Protect original works of authorship, such as literary works, music, dramatic works, pantomimes and choreographic works, sculptural, pictorial, and graphic works, sound recordings, artistic works, architectural works, and computer software.**

- **In order to qualify under copyright laws, the work must be fixed in a tangible medium of expression, such as words on a piece of paper, or music notes written on a sheet.**

- **A copyright exists from the moment the work is created, so registration is voluntary. To provide public notice of copyright, published works must be marked (©, date, and owner). If registered, certain statutory rights are available.**

- **The owner has the exclusive rights to modify, distribute, perform, create, display, and copy the work.**

Copyright protects original and derivative works of authorship fixed in any tangible medium of expression.

COPYRIGHTS

Duration - Limited per the US Constitution (Art. I, Sec. 8)

- **Exact duration depends on when created, if/when published, if work for hire.**
  - **Today, new works are entitled to life of the author plus 70 years.**
  - **Today, work for hires are entitled to a term of 95 years from the year of its first publication, or a term of 120 years from the year of its creation, whichever expires first.**

A "work made for hire" is a work prepared by an employee within the scope of his or her employment.

In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and owns all of the rights comprised in the copyright.

- **unless the parties have expressly agreed otherwise in a written instrument signed by them.**

COPYRIGHTS

Examples:

- **Presentations, Advertisements, Marketing brochures, Websites, Scientific articles**
- **BUT NOT patents (see Korzybski v. Underwood & Underwood, 36 F.2d 727, 729 (Cir. 1929))**

FAIR USE:

- the purpose and character of the use
  - transformative or value added
  - merely copied
- the nature of the copyrighted work
  - factual or fictional
  - published or unpublished
- the amount and substantiality of the portion taken
  - small or large portion
  - insignificant portion or "heart" of the work
- the effect of the use upon the potential market.
  - no economic impact to owner
  - deprive owner of potential economic gain
- good or bad actor

03 TRADEMARKS

TRADEMARKS

Trade or Service Mark - a distinctive sign which identifies certain products or services as those produced or provided by a specific person, enterprise or a group of persons/enterprises allowing the consumer to distinguish them from goods or services of others.

In order to qualify for protection, the mark must be **distinctive** and not merely descriptive.

Scale for distinctiveness of a trademark: Fanciful, arbitrary, suggestive, descriptive, and generic.

Marks that are fanciful, arbitrary, or suggestive are considered distinctive enough to function as trademarks.

If a mark is descriptive, the mark can function as a trademark or service mark only if it has obtained secondary meaning.

Generic words or phrases can never be a trademark.

® denotes a registered mark

™ denotes common law use as a mark.

Trade/Service mark is a word, phrase, symbol, or design that provides distinctive identification for goods/services.

TRADEMARKS

Examples:

FRESHPLEX®

POWERGRAN CORE®

MANECAPS™

POWERBREEZE™

WE CAPTURE WHAT MOVES®

JUNGLE ESSENCE®

MANE

Application process based on:

§1a) actual use in commerce, or

§1b) bona fide intent-to-use (ITU) in commerce.

Classes 1-34 (goods) and 35-45 (services) for US and international (NICE)

Majority of trademark application rejections are based on marks being merely descriptive or "likelihood of confusion" of the source of the goods.

***** Consider USPTO/internet searches prior to naming a research project.**

04 TRADE SECRETS

TRADE SECRETS

"Trade secret" means:

- information, including a formula, pattern, compilation, program, device, method, technique, or process, that:
  - (i) 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
  - (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Formulas	Design details	Plans
Samples	Drawings	Strategy
Processes	Engineering	Equipment
Know-how	Specifications	Incident reports
Methods	Ingredients	Complaints
Ideas	Recipes	Claims
Concepts	Customer data	Contracts & terms
Techniques	Business records	Reports
Research	Financials	Client lists
Experimental work	Sales data	Origin of products
Developments	Sales analyses	Ingredient suppliers
Inventions	Pricing	Ingredient pricing
Scientific information	Forecasts	Margin

A trade secret is any confidential business information which provides an enterprise a competitive edge.

TRADE SECRETS

Defend Trade Secrets Act (2016):

- A United States federal law (codified at 18 U.S.C. § 1836) that allows an owner of a trade secret to sue in federal court when its trade secrets have been **misappropriated**.
- State courts still available under common law trademark or unfair competition

- **"Misappropriation" means:**
  - (i) acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or
  - (ii) disclosure or use of a trade secret of another without express or implied consent by a person who (A) used improper means to acquire knowledge of the trade secret; or (B) at the time of disclosure or use, knew or had reason to know that his knowledge of the trade secret was
    - **(I) derived from or through a person who had utilized improper means to acquire it;**
    - **(II) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or**
    - **(III) derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or before a material change of his [or her] position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.**

- "**Improper means**" includes theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means.

TRADE SECRETS

How does MANE protect its trade secrets?

- **Implement business procedures to augment confidential disclosure agreements (CDA)**
- **Control physical and electronic access**
- **Identify, assess and take steps to manage risks**
- **Create supply chain procedures and plans**
- **Conduct employee and vendor training**
- **Training and capacity building with employees and third parties**
- **Monitoring and measuring corporate efforts**
- **Taking corrective actions and continually improving policies and procedures**

05 PATENTS

PATENTS

Once granted, a patent provides, from a legal standpoint, the right to ***exclude* others from making, using, selling, offering for sale, or importing the claimed invention for the term of the patent, which is usually 20 years from the filing date, subject to the payment of maintenance fees.**

- A patent does **not** give a right to make or use or sell an invention.
- Patents are territorial, and infringement is only possible in a country where a patent is in force.
- The granted claims in the specific country are what defines the scope of enforcement.
- Patent infringement is the commission of a prohibited act with respect to a patented invention without permission from the patent holder.
- Permission may typically be granted in the form of a license.
- Maintenance fees vary from country to country, and when payment is due.

The basic *quid pro quo* contemplated by the Constitution and the Congress for granting a patent monopoly is the benefit derived by the public from an invention with substantial utility. The public disclosure of scientific and technical information is part of the consideration that the inventor gives the public.

A patent is an exclusive right for a limited period of time in exchange for detailed public disclosure of an invention.

PATENTS

What defines an invention?

The **claims**, not the specification, provide notice of the scope of patent protection. The scope of claims is determined by interpreting the language of the claims in light of the intrinsic evidence, including the claims themselves, the specification, the relevant prior art, and the prosecution history, as understood by a person of ordinary skill in the relevant art.

- Neither the specification, which includes the written description of the invention, nor the drawings accompanying the specification, can be infringed.
- Claims must first be construed without reference to an accused product before they can be applied, as so construed, to the accused product to determine infringement.
- All limitations in a claim must be considered meaningful and cannot be ignored as insignificant or immaterial in determining infringement.
- Beware the "***Doctrine of Equivalents***."
- "*comprising*" vs. "*consisting essentially of*" vs. "*consisting of*"

Claims define the metes and bounds of the patentee's exclusive right.

PATENTS

Novel and Useful (35 U.S.C. §101/102, see also EPC Art. 54, 57)

- ***Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor….***

Non-Obvious (35 U.S.C. §103, see also EPC Art. 56)

- ***A patent for a claimed invention may not be obtained, … if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains.***

Written Description/Enablement (35 U.S.C. §112, see also EPC Art. 83)

- ***…a written description of the invention, …, clear, concise, and exact terms as to enable any person skilled in the art … to make and use the same, and shall set forth the best mode … of carrying out the invention.***

TRADE SECRETS VERSUS PATENTS

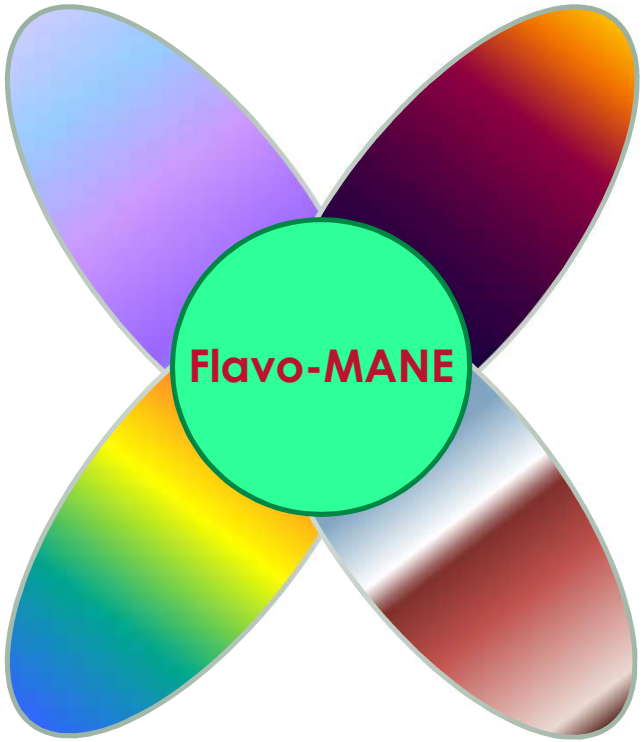
Trade Secrets	Patents
Trade secrets involve no registration costs	Patents may cost tens of thousands of dollars, per jurisdiction
Trade secrets have immediate effect and may last indefinitely	Average time to obtain a patent is five years, and a patent expires up to 20 years* after earliest filing date
Trade secret protection does not require any formalities such as disclosure of the information to a Government authority.	Inventors must disclose the invention to the public, without a guarantee of obtaining a patent*
Some trade secrets are susceptible to reverse engineering	Exclusive rights of patents allows protection from any type of infringement or copying — whether intentional or unintentional.
Once the secret is made public, anyone may have access to it and use it at will	*Quid pro quo* for a limited monopoly to exclude others is public disclosure of the invention
A trade secret may be patented by another "inventor" but prior commercial use defense is available (35 USC 273)	Independent invention is no defense against patent infringement
A trade secret is more difficult to enforce than a patent; must show misappropriation	Patent infringement covers direct and indirect infringement

Patents and trade secrets each have their own inherent advantages and limitations.

A HYPOTHETICAL EXAMPLE

Website, marketing materials
(**Copyright**)

Product name
(**Trademark**)



Manufacturing method and ingredient sourcing
(**Trade Secrets**)

Novel, useful, non-obvious aspects
(**Patent**)

CONCLUDING REMARKS

WE
CAPTURE
WHAT
MOVES

MANE

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