**What is intellectural property rights?**

Intellectual property rights refers to the general term for the assignment of property rights through patents, copyrights and trademarks. These property rights allow the holder to exercise a monopoly on the use of the item for a specified period.  
  
By restricting imitation and duplication, monopoly power is conferred, but the social costs of monopoly power may be offset by the social benefits of higher levels of creative activity encouraged by the monopoly earnings.

**Foundations of intellectual property**

**Patent**

A patent is an exclusive right granted for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem. To get a patent, technical information about the invention must be disclosed to the public in a patent application.

One of the main functions of the patent system is to foster technological innovation by providing an incentive for research and development.  The patent system also works to diseminate technical information and promote technology transfer.

In principle, the patent owner has the exclusive right to prevent or stop others from commercially exploiting the patented invention. In other words, patent protection means that the invention cannot be commercially made, used, distributed, imported or sold by others without the patent owner's consent.

Patents are territorial rights. In general, the exclusive rights are only applicable in the country or region in which a patent has been filed and granted, in accordance with the law of that country or region.

The protection is granted for a limited period, generally 20 years from the filing date of the application.

**Copyright**

Copyright (or author’s right) is a legal term used to describe the rights that creators have over their literary and artistic works. Works covered by copyright range from books, music, paintings, sculpture, and films, to computer programs, databases, advertisements, maps, and technical drawings.

Exhaustive lists of works covered by copyright are usually not to be found in legislation. Nonetheless, broadly speaking, works commonly protected by copyright throughout the world include:

* literary works such as novels, poems, plays, reference works, newspaper articles;
* computer programs, databases;
* films, musical compositions, and choreography;
* artistic works such as paintings, drawings, photographs, and sculpture;
* architecture; and
* advertisements, maps, and technical drawings.

Copyright protection extends only to expressions, and not to ideas, procedures, methods of operation or mathematical concepts as such. Copyright may or may not be available for a number of objects such as titles, slogans, or logos, depending on whether they contain sufficient authorship.

There are two types of rights under copyright:

* **economic rights**, which allow the rights owner to derive financial reward from the use of their works by others; and
* **moral rights**, which protect the non-economic interests of the author.

Most copyright laws state that the rights owner has the economic right to authorize or prevent certain uses in relation to a work or, in some cases, to receive remuneration for the use of their work (such as through [collective management](https://www.wipo.int/copyright/en/management/)). The economic rights owner of a work can prohibit or authorize:

* its reproduction in various forms, such as printed publication or sound recording;
* its public performance, such as in a play or musical work;
* its recording, for example, in the form of compact discs or DVDs;
* its broadcasting, by radio, cable or satellite;
* its translation into other languages; and
* its adaptation, such as a novel into a film screenplay.

Examples of widely recognized moral rights include the right to claim authorship of a work and the right to oppose changes to a work that could harm the creator's reputation.

In the majority of countries, and according to the [Berne Convention](https://www.wipo.int/treaties/en/ip/berne/trtdocs_wo001.html), copyright protection is obtained automatically without the need for registration or other formalities.

Most countries nonetheless have a system in place to allow for the voluntary registration of works. Such voluntary registration systems can help solve disputes over ownership or creation, as well as facilitate financial transactions, sales, and the assignment and/or transfer of rights.

**Trademark**

A trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises. Trademarks are protected by intellectual property rights

t the national/regional level, trademark protection can be obtained through registration, by filing an application for registration with the national/regional trademark office and paying the required fees. At the international level, you have two options: either you can file a trademark application with the trademark office of each country in which you are seeking protection, or you can use WIPO’s [Madrid System.](https://www.wipo.int/madrid/en/)

In principle, a trademark registration will confer an exclusive right to the use of the registered trademark. This implies that the trademark can be exclusively used by its owner, or licensed to another party for use in return for payment. Registration provides legal certainty and reinforces the position of the right holder, for example, in case of litigation.

The term of trademark registration can vary, but is usually ten years. It can be renewed indefinitely on payment of additional fees. Trademark rights are private rights and protection is enforced through court orders.

A word or a combination of words, letters, and numerals can perfectly constitute a trademark. But trademarks may also consist of drawings, symbols, three-dimensional features such as the shape and packaging of goods, non-visible signs such as sounds or fragrances, or color shades used as distinguishing features – the possibilities are almost limitless.

**Trade Secret**

Trade secrets are secret practices and processes that give a company an economic advantage over its competitors.

Trade secrets may differ across jurisdictions but have three common traits: not being public, offering some economic benefit, and being actively protected.

Trade secrets may take a variety of forms, such as a proprietary process, instrument, pattern, design, formula, recipe, method, or practice that is not evident to others and may be used as a means to create an enterprise that offers an advantage over competitors or provides value to customers.

Trade secrets are defined differently based on jurisdiction, but all have the following characteristics in common:

* They are not public information.
* Their secrecy provides an economic benefit to their holder.
* Their secrecy is actively protected.

As confidential information (as trade secrets are known in some jurisdictions), trade secrets are the "classified documents" of the business world, just as top-secret documents are closely guarded by government agencies. Because of the cost of developing certain products and processes is much more expensive than competitive intelligence, companies have an incentive to figure out what makes their competitors successful. To protect its trade secrets, a company may require employees privy to the information to sign [non-compete](https://www.investopedia.com/terms/n/noncompete-agreement.asp) or [non-disclosure agreements (NDA)](https://www.investopedia.com/terms/n/nda.asp) upon hire.

The federal law defines trade secrets as "all forms and types of" the following information:

* Financial
* Business
* Scientific
* Technical
* Economic
* Engineering

Such information, according to federal law, includes:

* Patterns
* Plans
* Compilations
* Program devices
* Formulas
* Designs
* Prototypes
* Methods
* Techniques
* Processes
* Procedures
* Programs
* Codes

The above includes, according to federal law, "tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing."

The law also provides the conditions that the owner has taken reasonable measures to keep such information secret and that "the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information."

Other jurisdictions may treat trade secrets somewhat differently; some consider them property, while others consider them as an [equitable](https://www.investopedia.com/terms/e/equity.asp) right.

## Examples of Trade Secrets

There are many examples of trade secrets that are tangible and intangible. For example, Google Inc.'s search algorithm exists as intellectual property in code and is regularly updated to improve and protect its operations.

The secret formula for Coca-Cola, which is locked in a vault, is an example of a trade secret that is a formula or recipe. Since it has not been patented, it has never been revealed. The New York Times Bestseller list is an example of a process trade secret. While the list does factor in book sales by compiling chain and independent store sales, as well as wholesaler data, the list is not merely sales numbers (books with lower overall sales may make the list while a book with higher sales may not)