

CHAPTER 1

Introduction to Intellectual Property Law

LECTURE NOTES

Major points to be addressed in presenting the chapter materials include the following:

1. Intellectual property protects creative endeavor and is thus said to be intellectual. It is distinguishable from real property and personal property.
2. The protection of intellectual property is necessary to stimulate and promote further creativity. Authors, musicians, and inventors would have no incentive to engage in creative effort if the fruits of their work could be misappropriated by others.
3. There are four types of intellectual property: trademarks, copyrights, patents, and trade secrets.
4. Trademarks:
 - Definition: a word, name, symbol, or device used to indicate the origin, quality, and ownership of a product or service (the term trademark refers to a product while the term service mark identifies a service)
 - Trademarks are governed by the Lanham Act, a federal statute
 - Function: to provide guarantees of quality and consistency of the products and services they identify
 - Rights arise from use of the mark although registration offers certain advantages
 - Trademarks can last forever if they are properly maintained
5. Copyrights:
 - Definition: a form of protection granted to authors of original works of authorship including literary, dramatic, musical, artistic, and certain other works
 - Copyrights are governed by the Copyright Act, a federal statute
 - Function: to allow authors to reap the fruits of their creative effort

- Rights arise from the time a work is created in fixed form although registration offers certain advantages
- Copyrights generally last for the author's life plus 70 years, after which time they fall into the public domain and are free for anyone to use

6. Patents:

- Definition: a grant from the U.S. government permitting its owner to prevent others from making, using, or selling an invention
- Patents are governed by the Patent Act, a federal statute
- Types of patents: utility, design, and plant patents
- Protection is available only for useful, novel, and nonobvious inventions
- Patent rights arise only upon issuance of a patent by the USPTO and have a limited duration (20 years from the date of filing of utility patent application)

7. Trade secrets:

- Definition: any valuable business information that is not known to others and is subject to reasonable efforts to maintain its secrecy
- No registration process; governed by state statutes and cases, the new federal Defend Trade Secrets Act of 2016, and contractual agreements
- If properly protected, trade secrets may last forever

8. Other intellectual property rights exist: semiconductor chip protection, vessel hull design protection, plant variety protection, right of publicity and other rights relating to unfair competition (such as passing off, false advertising, and misappropriation).

9. IP rights often intersect and overlap. For example, computer programs are protectable under copyright law, patent law, and perhaps as trade secrets. While marketing materials are being developed they are a trade secret; once fixed they are protected by copyright. Once materials are widely distributed, they lose their status as trade secrets.

10. Agencies responsible for IP protection:

- USPTO: grants patents and registers trademarks
- Library of Congress/Copyright Office: registers copyrights

11. International Organizations, Agencies, and Treaties:

- **INTA.** composed of trademark owners and practitioners to promote trademarks
- **WIPO.** composed of more than 185 member nations and administers various IP treaties and promotes protection of IP throughout the world
- **WTO.** composed of more than 160 industrialized nations to deal with trade matters, including trade disputes and trade matters related to intellectual property
- **Berne Convention.** 168 member nations; protects literary and artistic works
- **Madrid Protocol.** Promotes trademark protection for its member countries; U.S. became a member in November 2003
- **Paris Convention.** Facilitates patent and trademark protection for its more than 175 member nations
- **NAFTA.** adhered to by United States, Canada, and Mexico and resulted in some changes to U.S. trademark law
- **TRIPS.** establishes minimum levels of protection that member countries must afford each other with regard to intellectual property

12. IP rights are becoming increasingly important, primarily due to the rapidity with which information can be communicated. Piracy of IP rights is becoming an increasing problem, as it causes a loss of revenue to artists, authors, and industry.

Case Study: Your firm's client, Fit Forever, Inc., operates several fitness centers called "Fitness 1000" in numerous states. The fitness centers offer instructional exercise and fitness videos, sporting equipment developed by the company, clothing designed by the company, and related items, including fitness monitors, which its founders invented. Fit Forever advertises its products and services on television, the Internet, and in print ads. Its television commercials use a song, *It's Your Life—Get Fit!* composed by one of the company's founders. The company is considering launching spa services in several states and is conducting confidential market surveys to determine the feasibility of such services.

Activities: Identify the intellectual property Fit Forever might own.

[Note to Instructors: It is possible that the trademarks are not sufficiently distinctive to qualify for registration at the USPTO and that the patentable matter is subject to the *on-sale bar* discussed later in the text. Assuming that the marks are not merely descriptive (or confusingly similar to others) and that the patentable matter qualifies for protection, the following intellectual property rights might be owned by Fit Forever.]

Trademarks: Fit Forever owns trademarks in any distinctive names it uses, including the name FITNESS 1000 as well as any slogans or images it may use in connection with these marks. Additionally, if marks or logos are used in connection with the clothing, sporting equipment, or fitness monitors, they should also qualify for trademark protection.

Copyrights: Fit Forever owns copyrights in the script for any commercials and the text for any advertising whether on the Internet or conventional print form. Additionally, Fit Forever owns copyright rights in the song *It's Your Life—Get Fit* (assuming that its employees do not retain any rights in the song). Fit Forever owns copyright rights in the instructional videos.

Patents: The sporting equipment and fitness monitors developed by the company should qualify for patent protection.

Trade secrets: Fit Forever's plans to launch spa services and its market surveys are likely trade secrets because they have economic value and give Fit Forever a competitive edge (if others were to learn about them and "beat" Fit Forever into this market, Fit Forever would suffer damage); moreover, these plans appear to be subject to reasonable efforts to keep them confidential. So long as the plans and surveys are treated confidentially and reasonably protected by Fit Forever, they qualify as trade secrets.

Using Internet Resources – Chapter 1

1. Access the website of the USPTO.
 - a. What is the fee for filing a paper trademark application?
The fee is \$375.
 - b. Locate the Glossary. What is the definition of "service mark"?
Service mark is defined as follows: a word, name, symbol, or device that is to indicate the source of the services and to distinguish them from the services of others. A service mark is the same as a trademark except that it identifies and distinguishes the source of a service rather than a product. The terms "trademark" and "mark" are often used to refer to both trademarks and service marks.
 - c. Conduct a patent search for the Published Application number 20090265214. Who is the first inventor identified?
The first inventor listed is Steven Jobs of Palo Alto, CA.
2. Access the website of the USPTO. Conduct a trademark search for Trademark Registration No. 0608807.
 - a. What is the trademark shown?
The trademark is CREAMSICLE.
 - b. When was it first used?
It was first used on Jan. 15, 1937.
 - c. When was the trademark application for this mark filed?
The application was filed on March 10, 1954.

3. Access the website of the U.S. Copyright Office. Review the FAQs.
 - a. Can the band Maroon 5 copyright its name?
No. Names are not protected under copyright law (although some names may be protected under trademark law).
 - b. Does copyright protection exist for ideas?
The Copyright Office website provides as follows: “Copyright does not protect ideas, concepts, systems, or methods of doing something. You may express your ideas in writing or drawings and claim copyright in your description, but be aware that copyright will not protect the idea itself as revealed in your written or artistic work.”
4. Review Section 1 of the Uniform Trade Secrets Act, available at the website of the Uniform Law Commission at www.uniformlaws.org. Is a trade secret protectable if it has no current value but may have potential value?
Yes. Section 1 provides that “trade secret” means information that derives independent economic value actual or potential from not being known to others.
5. Access the U.S. Code. What is the subject matter of 35 U.S.C. § 103?
The subject matter is “Conditions for patentability; nonobvious subject matter.”

Discussion Questions – Chapter 1

1. Composer James Horner died in 2015. He was the composer of the main theme for the 1992 best picture *Titanic*. May you use this song without permission?
No. Copyright protection for this work will endure for 70 years after Mr. Horner’s death. Thus, this work will not enter the public domain until 2085.
2. The trademark RITZ BITS was registered for crackers in 1988. When will protection for this mark expire?
So long as the appropriate renewal and maintenance documents are filed with the USPTO to maintain this mark, trademark protection for the mark will endure perpetually.
3. Noah filed an application for a utility patent for his new computer mouse on January 10, 2015. The patent was granted on February 18, 2016. When will this patent expire?
The patent will expire on January 10, 2035, twenty years from its date of filing.
4. Emma received a copyright registration for her jewelry on March 18, 2016.
 - a. When will this copyright registration expire?
Copyright registration will expire 70 years after Emma’s death.

- b. If Emma had received a design patent for her jewelry on March 18, 2016, when would the patent expire?

Design patents have a term of 14 years from the date of grant, in which case the patent will expire on March 18, 2030.

5. Determine whether the following items are protectable as trademarks, copyrights, patent, trade secrets, or none of the above:

- The logo used by MTV **trademark**
- The book *Girl on the Train* written by Paula Hawkins **copyright**
- A sculpture entitled *Reunion* **copyright**
- The roar of MGM's lion **trademark**
- The title of the book *Introduction to Economics*
not protectable—titles of books are not protectable
- The text or narrative discussion in the book *Introduction to Economics* **copyright**
- The confidential formula for spices used by Taco Bell in its seasoning **trade secret**
- A new type of cell phone **utility patent**

6. American author James Fenimore Cooper published his novel *The Last of the Mohicans* in 1826, twenty-five years before his death in 1851. Discuss whether the 1992 movie based on this novel was required to obtain permission or whether the copyright in the novel had expired.

The copyright for the work has long expired. Mr. Cooper died in 1851; thus, copyright for the novel expired many years ago. The present term (author's life plus 70 years) is the most generous of the copyright terms granted by federal law (the term differed at the time Mr. Cooper was alive). Thus, even under the current generous copyright term, copyright expired in 1921, and the work "fell into" the public domain at that time, free for anyone to use. Thus, the producers of the movie were not required to obtain permission to make a movie based on the earlier novel.

Putting It Into Words – Chapter 1

Draft a short paragraph for a letter to a corporate client with numerous trademarks regarding the benefits of belonging to the International Trademark Association.

[Note to Instructors: Many of these benefits are discussed on INTA's website at <http://www.inta.org/Membership/Pages/Membership.aspx>.]

"We highly recommend that the company become a member of the International Trademark Association ("INTA"), a group of more than 6,600 organizations from 190 countries. INTA provides its members with numerous benefits and resources, including the following:

- **Publications and practice guides to help trademark owners remain current on trademark practices, procedures, and "hot topics";**

- **Access to educational opportunities and events, including INTA's annual meetings, attended by thousands of trademark owners and practitioners;**
- **Opportunities for business development and networking with other trademark owners; and**
- **Numerous online resources, including job banks and membership directories, which facilitate contact with other INTA members, 60 percent of which corporate members are Fortune 100 companies.**

Moreover, INTA promotes the interests of its members through its advocacy efforts by which it fosters effective trademark programs and policies throughout the world."