

Do You Need to Be an Intellectual to Understand What Intellectual Property Is?

A primer on intellectual

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This issue of the *Michigan Bar Journal* is dedicated to topics relating to intellectual property. Intellectual property is intangible property—it cannot be touched or felt. Because of its ephemeral nature, intellectual property is rarely encountered in the day-to-day practice of most attorneys and is often difficult to describe. Nonetheless, we have endeavored to provide you with some basics as to the practice of intellectual property law, as well as ways of identifying issues in this practice area when you come upon them.

The right conferred by the patent grant is “the right to exclude others from making, using, offering for sale, or selling” the invention in the United States or “importing” the invention into the United States.

Fast Facts

Trademark rights may be used to prevent others from using a confusingly similar mark, but not to prevent others from making the same goods or from selling the same goods or services under a clearly different mark.

The 1976 Copyright Act generally gives the owner of the copyright the exclusive right to reproduce the copyrighted work, to prepare derivative works, to distribute copies or phonorecords of the copyrighted work, to perform the copyrighted work publicly, or to display the copyrighted work publicly.

property



FIRST, it is important to identify the various types of intellectual property. Roughly speaking, these types can be divided into four categories—patents, trademarks, copyrights, and trade secrets.

Patents

A patent is a grant made by a national patent office, which provides the owner with a monopoly on his or her idea for a set period of time. The identity of the office and the term vary to some degree from country to country, so, for simplicity's sake, we will take the U.S. Patent and Trademark Office (USPTO) as our example. Patent rights extend only as far as the borders of the country in which it is granted.

The term of the patent is generally 20 years from the date on which the application for the patent was filed in the United States and subject to the payment of maintenance fees as provided by law. After the patent has expired, anyone may make, use, offer for sale, or sell or import the invention without permission of the patentee, provided that matter covered by other unexpired patents is not used.

An alternative to the typical patent application is the provisional patent application. A provisional application is not examined for patentability like a utility application, it has a term of one year and cannot be used to pursue potential infringers. It *does* provide a low-cost way of gaining a priority date, which can then be the basis for filing the standard utility application within one year of the provisional filing. Similarly, filing a Patent Cooperation Treaty (PCT) application provides an inexpensive means of preserving patent coverage in almost every country in the world for a single fee. After 18 months, a decision must then be made as to what countries in which to file. Since many countries have an "absolute novelty" standard, i.e., a patent cannot be obtained if has been publicly disclosed in any way before the filing date of the patent application, some inventors attempt to use confidentiality agreements to allow them to disclose their invention for purposes of securing financial backing. This strategy is not foolproof, and a safer approach is to file a provisional and/or PCT application.

It is important to ascertain whether someone who identifies himself or herself as an intellectual property attorney has met the necessary qualifications to use the title "patent attorney."

Although anyone who conceives of an invention may file a patent application pro se, it is generally advisable to secure the assistance of a patent attorney or patent agent in navigating the complex procedural requirements related to the filing and exploitation of patent applications. Someone who identifies himself or herself as a patent attorney or a patent agent is required to meet certain certifications. A patent attorney, in addition to meeting the requirements for passing the bar exam in a given state, must pass a so-called patent bar exam. Before sitting for the patent exam, an attorney must show that he or she has the requisite scientific background needed to comprehend and interpret technical documentation and inventions and identify the inventive scope thereof. The U.S. Patent and Trademark Office certifies that an attorney meets the minimum requirements needed to sit for the patent exam, as well as administering the examination itself.

Many attorneys who practice in the areas of trademark and copyright law identify themselves as intellectual property attorneys. It is important to note that there are no certifications needed to identify oneself as an intellectual property attorney. It is important to ascertain whether someone who identifies himself or herself as an intellectual property attorney has met the necessary qualifications to use the title "patent attorney." Attorneys who are not patent attorneys are limited as to what actions they may undertake on behalf of an inventor client and may not be sufficiently qualified to provide a reliable infringement or validity opinion.

The right conferred by the patent grant is "the right to exclude others from making, using, offering for sale, or selling" the invention in the United States or "importing" the invention into the United States. What is granted is *not* the right to make, use, offer for sale, sell or import, but the right to exclude others from making, using, offering for sale, selling, or importing the invention. Once a patent is issued, the patentee must enforce the patent without aid of the USPTO. Further, a patentee may not make, use, offer for sale, or sell, or import his/her own invention if doing so would infringe the prior rights of others. For example, a patent for a chair, described as a stool that has been improved by adding a back, would still infringe the patent on the stool.

The patent laws specify the general field of subject matter that can be patented and the conditions under which a patent may be obtained. In the language of the statute, any person who "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, subject to the conditions and requirements of the law." These classes of subject matter taken together include practically everything that is made by man and the processes for making the products. Interpretations of the statute by the courts have defined the limits of the field of subject matter that can be patented, thus it has been held that the laws of nature, physical phenomena, and abstract ideas are not patentable subject matter.

Urban Myths of Patent Law

1. The experimental use exception—Using a patented invention in an infringing manner *is* an infringement. Although some courts have recognized a limited form of experimental use exception for use in non-profit organizations, any tie to an eventual commercial exploitation of the experimental data will typically obviate the exception.
2. Inventors are like authors.—Determination of inventorship is a legal question. Adding the name of a contributor merely to recognize work done on a project is inappropriate and may invalidate the patent.



3. Sending a letter by certified mail will protect my invention.—Although such a technique may allow an inventor to establish a date of invention, it does not do anything to protect the invention from use by others.
4. “Patent pending” means I think that I have an invention.—The “patent pending” designation may only be used with an invention that has been filed with the appropriate patent office.
5. “Patent mills” can patent any invention and assure an easy and profitable path to market.—Most of these companies are simply selling marketing services and should not be relied upon for legal advice as to what can and cannot be patented.
6. I dropped my idea off with the patent attorney, now I have an application.—As with #4 above, it is necessary to have a filing receipt from the appropriate patent office to be sure that the application has, indeed, been filed. Oftentimes, merely handing the particulars of the invention to a patent attorney is just the beginning of the process.

Trademarks

A trademark is a word, name, symbol, or device that is used in trade with goods to indicate the source of the goods and to distinguish them from the goods of others. A servicemark 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 commonly used to refer to both trademarks and servicemarks.

Trademark rights may be used to prevent others from using a confusingly similar mark, but not to prevent others from making the same goods or from selling the same goods or services under a clearly different mark. Trademarks that are used in interstate or foreign commerce may be registered with the USPTO. Marks that are only contemplated for use within the borders of a single state may be registered with the Secretary of State’s office for that state. Further, you can establish rights in a mark based on legitimate use of the mark in commerce—this is a so-called “common law” trademark right.

However, owning a federal trademark registration on the Principal Register provides several advantages, most notably it presumptively puts potential infringers “on notice” and provides direct access to the federal court system.

The registration procedure for trademarks is similar to that employed in the examination of patent applications. Specially designated attorneys at the USPTO examine new applications for trademarks and servicemarks and determine whether they meet the criteria for registration. After an application is filed, the assigned examining attorney will search the USPTO records to determine if a conflict, i.e., a likelihood of confusion, exists between the mark in the application and another mark that is registered or pending in the USPTO. To find a conflict, the marks do *not* have to be identical, and the goods and/or services do not have to be the same. It may be enough that the marks are *similar* and the goods and/or services *related*.

If the examining attorney raises no objections to registration, or if the applicant overcomes all objections, the examining attorney will approve the mark for publication in the *Official Gazette*, a weekly publication of the USPTO. Any party who believes it may be damaged by registration of the mark has 30 days from the publication date to file either an opposition to registration or a request to extend the time to oppose. If no opposition is filed or if the opposition is unsuccessful, the application enters the next stage of the registration process. A Certificate of Registration will issue for applications based on use, or a Notice of Allowance will issue for intent-to-use applications.

There is often confusion among general practitioners as to when a client can use the trademark symbols TM, SM and ®. The rules are as follows. Any time an entity claims rights in a mark, they may use the “TM” (trademark) or “SM” (service mark) designation to alert the public to their claim, regardless of whether they have filed an application with the USPTO. However, the federal registration symbol “®” may only be used after the USPTO actually *registers a mark*, and not while an application is pending. Also, the registration symbol may only be used with the mark on or in connection with the goods

and/or services listed in the federal trademark registration.

Copyrights

Copyright is a form of protection provided to the authors of “original works of authorship” including literary, dramatic, musical, artistic, and certain other intellectual works, both published and unpublished, that are fixed in a tangible form of expression. The 1976 Copyright Act generally gives the owner of the copyright the exclusive right to reproduce the copyrighted work, to prepare derivative works, to distribute copies or phonorecords of the copyrighted work, to perform the copyrighted work publicly, or to display the copyrighted work publicly.

The copyright protects the form of expression rather than the subject matter of the writing. For example, a description of a machine could be copyrighted, but this would only prevent others from copying the description; it would not prevent others from writing a description of their own or from making and using the machine. Copyrights are registered by the Copyright Office of the Library of Congress.

Copyright protection subsists from the time the work is created in fixed form. The copyright in the work of authorship *immediately* becomes the property of the author who created the work. Only the author or those deriving their rights through the author can rightfully claim copyright.

In the case of works made for hire, the employer is considered to be the author, not the employee. Section 101 of the copyright law defines a “work made for hire” as:

- (1) a work prepared by an employee within the scope of his or her employment; or
- (2) a work specially ordered or commissioned for use as:
 - a contribution to a collective work
 - a part of a motion picture or other audiovisual work
 - a translation
 - a supplementary work
 - a compilation
 - an instructional text
 - a test
 - answer material for a test
 - an atlas

if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

No publication or registration or other action in the Copyright Office is required to secure copyright. Similar to the discussion of trademark registration above, there are, however, advantages to registration. Registration may be made at any time within the life of the copyright.

Copyright is secured *automatically* when the work is created, and a work is “created” when it is fixed in a copy or phonorecord for the first time. The use of a copyright notice is no longer required under U.S. law, although it is often beneficial.

The protection afforded by copyright varies according to when the work was originally created, but, in general, the duration of a copyright is ordinarily given a term enduring for the author’s life plus an additional 70 years after the author’s death. In the case of “a joint work prepared by two or more authors who did not work for hire,” the term lasts for 70 years after the last surviving author’s death.

Trade Secrets

A trade secret can be any information that derives independent economic value from not being generally known or readily ascertainable. Among the things that can be trade secrets are formulae, patterns, blueprints, customer lists, pricing information, compilations, programs, devices, methods, techniques, or processes. Many factors may be examined to determine whether something can be afforded trade secret protection. The recognized factors generally relate to issues establishing the value of the trade secret and the steps taken to maintain it as a secret.

Trade secret protection stems from the common law and dates back to the 1800s. Today, every state recognizes some form of trade secret protection. Most states have legislation that specifically recognizes trade secrets, though some still rely solely on common law principles. Most of the states that have trade secret laws use the Uniform Trade Secrets Act, which has helped create a more uniform body of law from state to state than if each state had its own unique law.

There is no registration of trade secrets, as such. Rather, it is incumbent on each entity that claims trade secret protection to establish business practices that can support a claim of trade secret status based on factors such as whether it restricts access to the sensitive data, whether it requires secrecy agreements of employees having access to the data, and internal processes for maintaining secrecy. ◆

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