PATENT LAW YOU CAN USE™

Types of Intellectual Property

by
Howard M. Eisenberg

© 1998

Howard M. Eisenberg is a biotechnology patent attorney with the firm of Chernoff, Vilhauer, McClung & Stenzel, LLP. He is a member of AUTM and represents a number of university clients. His particular area of concentration is in patents involving human or veterinary medicine. His address is 1600 ODS Tower, 601 SW Second Avenue, Portland, OR 97204. (503) 227-5631, fax - (503) 228-4373, email - heisenberg@chernofflaw.com.

PATENT LAW YOU CAN USE™

Types of Intellectual Property

Abstract - The four types of intellectual property: copyrights, trademarks, patents, and trade secrets, protect different types of creations of the human mind. This article provides an overview of each type of intellectual property and discusses when and how they are used.

Intellectual property is often the key asset of a biotechnology or pharmacology company. Therefore, it is essential to understand what intellectual property is, to know what the various types of intellectual property are, and to be able to determine the type intellectual property that is appropriate for specific needs.

Intellectual property is intangible property, that is property created by the mind. Like tangible real or personal property, the law recognizes the right to own and to control intellectual property.

There are four well recognized types of intellectual property rights: copyrights, trademarks, patents, and trade secrets. These forms of intellectual property differ significantly in the rights they confer, how they are obtained, and how they are maintained.

Copyrights

Copyrights protect the original expression of an idea fixed in a tangible medium of expression. Examples of copyrightable works include novels, songs, sculptures, software codes, instruction manuals, paintings, and dramatic works. The owner of a copyright can exclude others from reproducing, adapting, publicly distributing, publicly displaying, or performing the copyrighted work.

The key concept concerning copyrights is "expression." A copyright does not protect an idea itself, but rather the way that an author expresses the idea. For example, the idea for a story of a young woman who rebuilds her world after it is destroyed during a war and who loves a man she can never have while rejecting a man who loves her is not protectable by copyright. However, the novel Gone With the Wind, which is a particular expression of this idea, is copyrightable.

Copyrights protect only against copying. They do not protect against someone else independently authoring the same or similar work. Therefore, it is not infringement of a copyright for an artist to create a painting which is identical to a copyrighted painting as long as the artist did not copy from the original painting. However, in many situations, such as with a complicated computer source code, the similarity of a competitor's work to a copyrighted work provides a very strong inference of copying which will tend to convince a court that the copyright has been infringed.

Copyright protection lasts for a very long time. For works created after 1977, the copyright extends until 70 years after the death of the author. For a work for hire or for an anonymous or pseudonymous work, the copyright lasts until either 95 years after publication or 120 years after creation, whichever occurs first.

Many people do not know that it is not necessary to apply or even to register for a copyright. The copyright exists from the moment that a work is fixed in a tangible medium of expression, such as on paper, a computer disk, or a videotape. It is advisable, although not mandatory, to place a copyright notice, usually a "C" in a circle - © - with the date of first publication and the name of the copyright holder, and to register the copyright with the Copyright Office. Notice

and registration are inexpensive and provide additional valuable legal rights to the copyright holder.

Most countries are signatories to one or more international conventions which recognize the copyrights of other countries. Therefore, it is not necessary to apply for copyright protection in individual countries. However, copyrighted works in a foreign country are protected only to the extent that a work created in that country is protected. Therefore, the rights of a copyright owner may vary somewhat from country to country.

Trademarks

A trademark identifies a product and distinguishes it from other products so as to identify the source of the product. For example, the familiar swoosh on an article of clothing or footwear distinguishes the article and identifies Nike as the source of the article. One way to think of trademarks is as a property right belonging to the trademark owner which serves to protect the public so that a consumer is not confused as to the maker or provider of a good or service.

Trademarks provide varying degrees of protection depending on the "strength" of the trademark. Strength is determined by how likely the use of the trademark by another is likely to cause confusion in the marketplace. The Nike

swoosh or McDonald's golden arches are very strong marks that would likely be found to be infringed if used without permission on virtually any consumer item. That is because a consumer is likely to expect that the product, even though not of a type typically associated with these companies, is indeed made by Nike or McDonald's. For weaker trademarks, such as one that is descriptive of a product, use of the trademark by another may not infringe unless the mark was used in conjunction with goods that directly compete with goods for which the trademark owner uses the mark.

A trademark can endure indefinitely, provided that the trademark owner continues to use it, and provided that the trademark does not lose its distinctiveness and become generic. There are many instances of trademarks becoming generic and becoming dedicated to the public such as the well known former trademarks "Aspirin" and "Zipper".

In the United States, it is not necessary to apply for a trademark in order to obtain trademark rights. The trademark rights come into being when a trademark is first publicly used in continuous commercial use, even without federal trademark registration. An unregistered trademark may be identified as a trademark, usually with the ™ symbol. Registration, however, has many advantages, including exclusive national rights to use the mark in connection with

specified goods or services, incontestability after five years, the right to sue in federal court, and the ability to bar importation into the United States of goods bearing infringing trademarks. A registered trademark is identified by a phrase stating that it is a registered trademark or by the letter R enclosed in a circle - ®. Registration of a trademark is obtained by submitting an application that is examined to ensure that the trademark meets the criteria for registration.

Unlike copyrights, trademark rights are national, not international. Therefore, registration in one country does not confer rights in other countries. Often, however, a trademark may be entitled to registration in another country based on a previous United States registration.

Patents

There are three different types of patents. Design patents protect novel, non-functional design elements. Plant patents protect asexually reproducible plants. Utility patents, the most common type of patent, are often referred to simply as patents. Utility patents provide protection for useful inventions, which may be processes, machines, articles of manufacture, or compositions of matter.

A patent permits a patentee to exclude others from making, selling, or using the patented invention and from importing the patented invention or an article made by a patented process into the United States. Unlike copyrights, others may be excluded from practicing a patented invention whether or not they copied the invention from the patentee. Independent invention is no defense to patent infringement.

It is important to realize that a patent by itself does not permit the patentee to do anything with the invention. Patent rights are, for the most part, exclusionary and not permissive rights. This is similar to the rights enjoyed by the owner of other types of property, such as personal property. The owner of a car has the right to exclude others from using the car. However, the car owner does not have the right to use the car in ways that infringe upon the rights of others. For example, the car owner is not permitted to drive over a neighbor's rose bushes or to drive too fast so as to endanger others.

Likewise, a patentee may not practice a patented invention if, by doing so, the patent rights of another would be infringed. This may occur, for instance, in the situation where there is a patent for a specific chemical compound but another patent exists that covers the generic class of compounds to which the specific compound belongs.

Patent protection is acquired by filing a patent application in the United States Patent and Trademark Office. The application is examined to determine whether the invention for which a patent is sought meets the statutory requirements of usefulness, novelty, and unobviousness, and whether the application teaches how to make and use the invention. If these criteria are met, the applicant is entitled to a patent. Additionally, a patent application must disclose the applicant's "best mode" for practicing the invention. Because the best mode is subjective to the mind of the applicant, the Patent Office usually cannot reject an application for failure to provide the best mode. However, patents are frequently challenged in court for best mode violations and it is strongly recommended to comply fully with this requirement.

Generally, a patent is in force from the date that the application issues until twenty years after the filing date of the application, provided that the patentee pays the required periodic maintenance fees. If the application is based on an earlier patent application, the twenty-year term is calculated from the filing date of the earlier application. For patent applications filed before June 8, 1995, different rules apply for determining how long the patent term lasts.

Like trademarks, patents that are in force in one country, like the United States, are not enforceable in other countries. An application must be filed in each country where patent protection is desired.

Trade Secrets

A trade secret is virtually anything that is not generally known and that gives the owner of a trade secret a competitive business advantage. A trade secret may be a patentable invention or may be other intangibles such as manufacturing techniques, business methods, sources of supply, customer lists, and other industrial or commercial ideas. In order to qualify as a trade secret, the owner must take precautions to ensure that it remains secret.

The owner of a trade secret has the right to prevent use or dissemination of the trade secret by anyone who learned or derived the trade secret from the owner. The owner has no trade secret rights against anyone who independently discovers the trade secret. For example, the Coca-Cola company may prevent an ex-employee from using or disclosing the formula for Coke® if the ex-employee learned of the formula due to being a Coca-Cola employee. However, the Coca-Cola company would have no right under trade secret law to prevent a person

from making a Coke® knock-off if that person independently developed or learned the formula.

Each of the forms of intellectual property has its place within an organization. Copyrights protect the form of expression of ideas, trademarks protect the identification of the source of ideas, and patents and trade secrets protect the application of ideas. Because a trade secret may be a patentable invention, tension may exist between the options of keeping an invention a trade secret or filing a patent application. Using a trade secret may eliminate the possibility of patenting an invention. On the other hand, the publication of a patent destroys any trade secrets which it discloses. I will discuss this issue in my next column.