

Other IP Protections

CIS 381

Disclaimer

- **THIS IS NOT LEGAL ADVICE.** You should not rely on anything I say here to guide you in any specific situation. If you are faced with a legal problem, you should seek advice from a competent attorney. Intellectual property problems can be complex and should be discussed fully with a competent and qualified attorney who represents YOU.

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Outline

- Trademarks and Service Marks
- Trade Secrets
- Protections

Trademark, Service Mark

- Trademark: Identifies goods
- Service mark: Identifies services
- Allows a company to establish a “brand name”
- Does not expire
- If brand name becomes common noun, trademark may be lost
- U.S. Patent and Trademark Office

Trade and Service Marks

- A unique mark affixed to products or services to distinguish them from similar goods manufactured or offered by competitors.

Trade and Service Marks

- Trademarks are affixed to tangible goods.
- Servicemarks are used in the advertising or offering of services.

Trade and Service Marks

- Trademarks usually identified with the TM symbol appearing next to the mark.
- Servicemarks usually identified with the SM symbol appearing next to the mark.
- © **only** after the USPTO actually *registers a mark*, and **not** while an application is pending.

Trade and Service Marks

- May be registered with the Patent and Trademark Office.
- Registration gives exclusive use rights

Registration

- Owning a federal trademark registration provides several advantages,
 - constructive notice to the public of the registrant's claim of ownership of the mark;
 - a legal presumption of the registrant's ownership of the mark and the registrant's exclusive right to use the mark nationwide on or in connection with the goods and/or services listed in the registration;
 - the ability to bring an action concerning the mark in federal court;
 - the use of the U.S registration as a basis to obtain registration in foreign countries; and
 - the ability to file the U.S. registration with the U.S. Customs Service to prevent importation of infringing foreign goods.
- <http://www.uspto.gov/web/offices/tac/doc/basic/register.htm>

Losing Your Trademark

- "I want my product to become a household word."
- **No you don't** -- here's why:
 - Aspirin
 - Salycilic Acid
 - Xerox
 - Xerography v. Photostatic Reproduction

Trade Secrets

- Any formula, pattern or device of compilation of information used in one's business and which gives an advantage over competitors who do not know or use it.
- May include customer lists.

Trade Secret

- Confidential piece of intellectual property that gives company a competitive advantage
- Never expires
- Not appropriate for all intellectual properties
- Reverse engineering allowed
- May be compromised when employees leave firm

Trade Secrets

- Easiest protection to gain
- Most difficult protection to retain
- Easiest protection to lose
- Primarily common law principles
- Changing Rules - ALI Uniform Law of Trade Secrets

Intellectual Property Protection

- To protect yourself from others
 - Nondisclosure Agreements
- To protect yourself from yourself (your employees)
 - Assignment Agreements
 - Noncompetition Agreements

Nondisclosure Agreements

- Contractual Agreement
- Prohibits the person to whom information is disclosed from further disclosing the information
- Usually coupled with a liquidated damages clause

Assignment Agreements

- Require the employee to assign the rights to anything he may invent to the employer

Noncompetition Agreements

- Prevents the employee from working for competitors of the current employer
- Must be reasonable in scope and duration

Noncompetition Agreements

- **Rules of thumb**
 - 2 years is the outside limit on duration
 - OK to prevent work for direct competitors
 - Probably OK to prevent work for someone in a related field who could become a competitor

Noncompetition Agreements

- **Rules of Thumb**
 - Geographic restrictions will depend on the size of the present employer's market
- **Usual enforcement mechanism - Court Injunction**
 - A court can prevent you from working for another company

Noncompetition Agreements

- **Can a court force you to keep working for your present employer?**
 - U.S. Const. Art. I, section 1
 - "Neither slavery nor involuntary servitude . . . shall exist within the United States, or any place subject to their jurisdiction."

Criminal Penalties

- **Criminal Infringement**
 - Up to 10 years in prison
 - Heavy fines
 - Criminal forfeiture and destruction of copies and equipment

Criminal Penalties

- **Economic Espionage**
 - Person -- up to 10 years in prison, \$500,000.00 fine
 - Corporation -- up to \$5,000,000.00 fine
 - 18 U.S.C. A. § 1832

Criminal Penalties

- **If the espionage benefits a foreign government**
 - Person -- up to 15 years in prison, \$500,000.00 fine
 - Corporation -- up to \$10,000,000.00 fine

Criminal Penalties

- Applies to offenses done outside the United States if an act in furtherance of the offense was done in the United States
