

# **VALUABLE INTELLECTUAL PROPERTY**

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# ABC Inc.

# XYZ Inc.

## Soft Assets

- Employee, Customer and Supplier Goodwill
- Common Law Trademark and Trade Secret protection

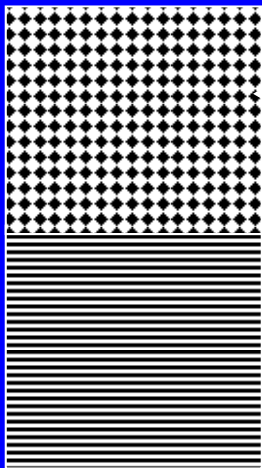
## Hard Assets

- Building, Equipment, Inventory

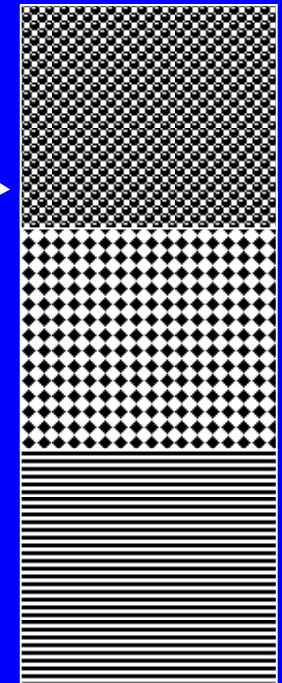
## Extra Assets

- Registered - Trademarks, Trade Dress, Copyrights
- Patents – Utility Design, Business Method
- IP assignments and noncompetes - employees and contractors
- Formal Trade Secret Protection
- Form contracts - suppliers and customers

## ASSETS



## ASSETS



# OUR GOAL

**Learn IP Action Steps**

I

# TRADEMARKS

# TO WIN A TRADEMARK SUIT

- Priority
- Protectable Trademark
- Likelihood of Confusion

# 1. PRIORITY

- Incorporation or assumed name filing does not create trademark priority.
- Priority is acquired only (1) by being the first to use the term as a trademark in commerce in the disputed area; or (2) filing a federal trademark application (can be “intent-to-use”).

# TO WIN A TRADEMARK SUIT

- Priority
- Protectable Trademark
- Likelihood of Confusion

## 2. PROTECTABLE TRADEMARK

- ❑ Generic – Unprotectable – **LITE** (beer)
- ❑ Descriptive - Maybe protectable (Jury question: Does it primarily describe or identify?) – **STEAK & BREW** (restaurant)
- ❑ Suggestive – Protectable – **MUSTANG** (auto), **DIE HARD** (battery)
- ❑ Arbitrary or Fanciful - Very protectable – **KISS** (chocolate)
- ❑ Trade Dress – Nonfunctional and distinctive



# TO WIN A TRADEMARK SUIT

- Priority
- Protectable Trademark
- Likelihood of Confusion

### 3. LIKELIHOOD OF CONFUSION

Do you find ... that potential customers are likely to be confused between plaintiff's mark ABC and defendant's mark AYZ?

Answer: "Yes" or "No": \_\_\_\_\_

# TRADEMARK ACTION STEPS

1. BE FIRST
2. SELECT PROTECTABLE AND MARKETABLE MARKS
3. GET TRADEMARK REGISTRATIONS FOR IMPORTANT MARKS

II

# COPYRIGHTS

# TO WIN A COPYRIGHT SUIT

- Protectable**
- Ownership**
- Protected**
- Infringed**
- Remedies**

# 1. PROTECTABLE?

IF IT IS NOT  
PRIMARILY PHYSICALLY  
FUNCTIONAL,  
IT IS COPYRIGHTABLE

# COPYRIGHT'S LIMITS

- Creative expression/form
- Not facts, collections of facts or ideas

# EXAMPLES

- Employee Manual
- Software
- Advertising
- Instructions
- Packaging
- Product features (maybe)
- Sequence of yoga poses
- (lots of stuff)



## 2. OWNERSHIP?

- Author or Co-authors
- Employer, if work-for-hire
  - by (a) employee, (b) within scope of employment
- Assignee

**Copyrights Can  
Only be Assigned  
by a Written  
Agreement**

**(Steven King Rule)**

# 3. PROTECTED?

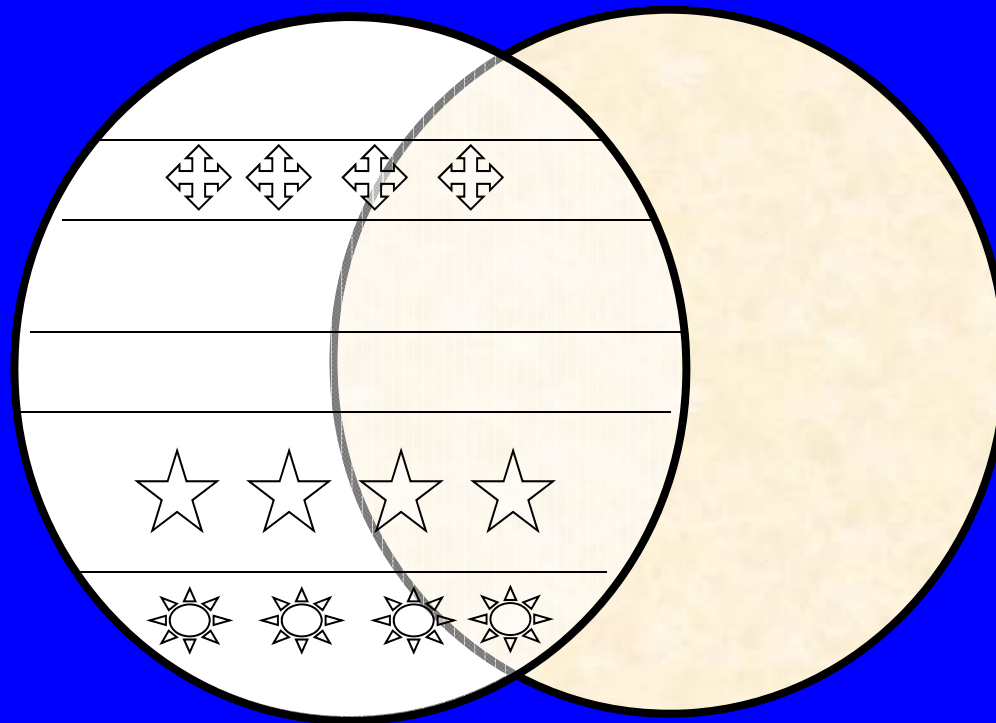
Level One: Fixed in Tangible  
Form – Copyrighted

Level Two: Copyright Notice  
on it

Level Three: Registered

# 4. INFRINGED?

Registered  
Work

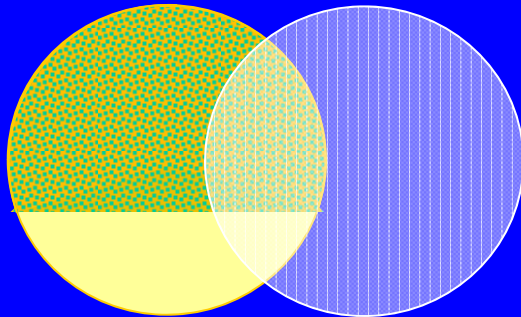


Accused  
Work

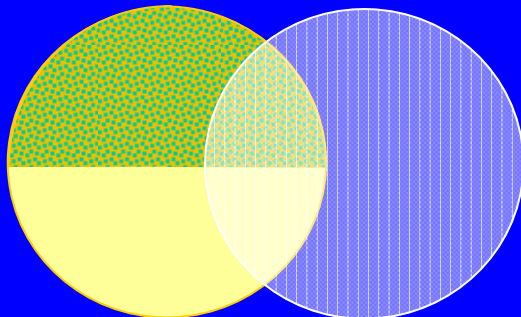
# NOVEL

Original Copy

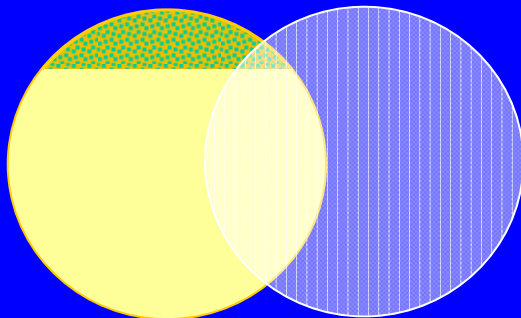
Level



Plot (scenes,  
chronology)



Characters (names,  
traits, relationships)



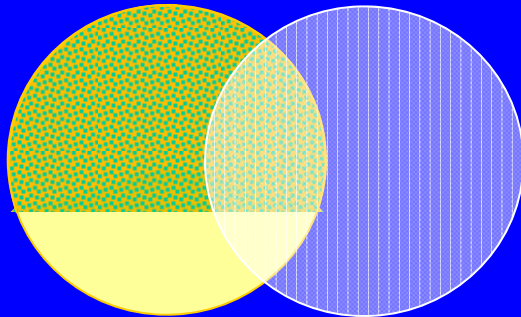
Text

# SOFTWARE

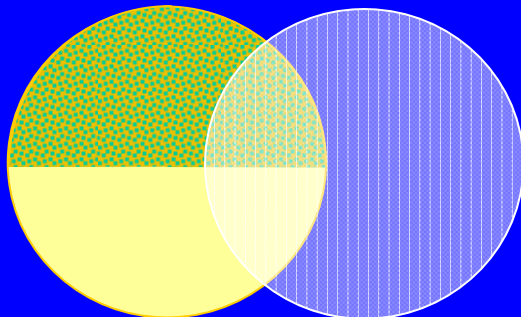
Original

Copy

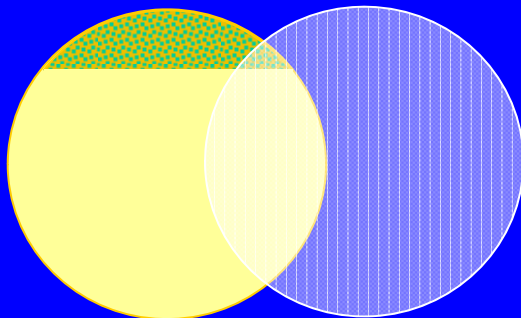
Level



Look and feel (user interface)



Flow chart  
(organization of source code and functions)



Object code

# INFRINGEMENT: JURY QUESTION

Do you find from a preponderance of the evidence that the [accused work] is substantially similar to the [registered work]?

Answer “Yes” or “No”: \_\_\_\_\_.

# FAIR USE: JURY QUESTION

Do you find from a preponderance of the evidence that Defendant's copying of [the registered work] was a fair use?

Answer "Yes" or "No": \_\_\_\_\_.



# FAIR USE JURY INSTRUCTION

“In determining whether the use ... is a fair use, ...

- Purpose and character of the use.
- Nature of the copyrighted work.
- Amount and substantiality of the portion ... [copied].
- Effect ... upon the potential market for or value of the copyrighted work.”

# **5. REMEDIES**

- **Injunction**
- **“Actual damages suffered” and “profits of the infringer that are attributable to the infringement,”**
- **If timely registered, statutory damages of up to \$150,000 for each infringed work; and attorney’s fees.**

# BUT . . . REGISTRATION!

- No attorneys fees or statutory damages unless registration predates infringement.
- Accused work is compared to registered work; which is not necessarily what the infringer copied.

# COPYRIGHT ACTION STEPS

- 1. Get assignments from everyone**
- 2. Sprinkle © notice**
- 3. Get copyright registrations on important works**

III

# PATENTS

# TO WIN A PATENT SUIT

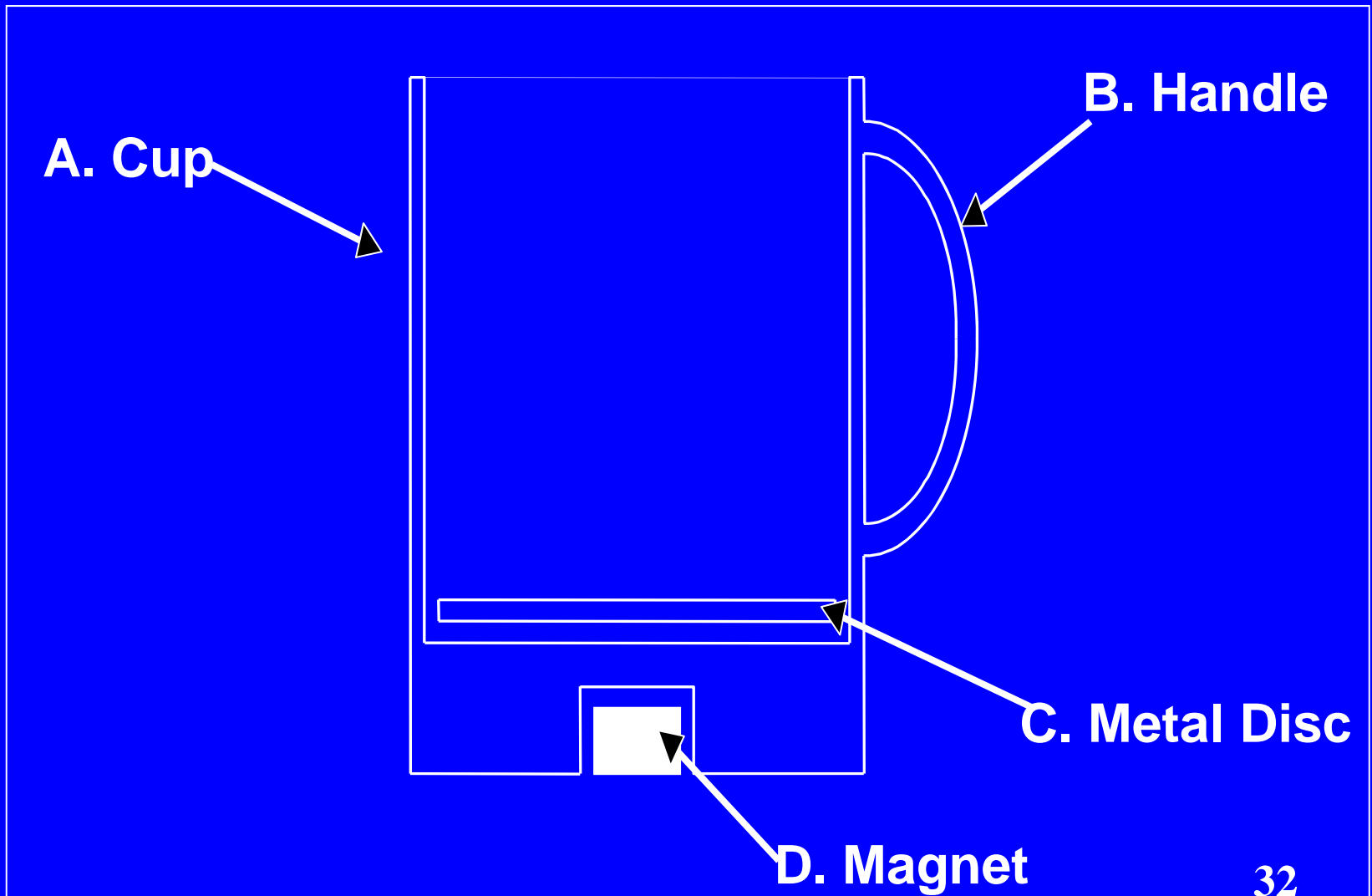
- Patentable
- Deadlines
- Infringed

# 1. PATENTABLE?

- Non-obvious?
  - Novel, and
- 

Then it's possibly patentable

# My Invention





# PATENTABILITY ANALYSIS

<b>ABCD</b>	<b>Invention</b>
<hr/>	<hr/>
<b>-A</b>	<b>Novelty</b>
<b>-AB</b>	<b>subtraction</b>
<hr/>	<hr/>
<b>ABC</b>	<b>Leaves</b>
<b>ABCD</b>	
<hr/> <hr/>	<hr/> <hr/>
<b>-ABC</b>	<b>Obviousness</b>
	<b>subtraction</b>
<hr/>	<hr/>
<b>ABCD</b>	<b>Possibly</b>
	<b>patentable</b>

**ABC ... XYZ**

**Invention**

– **ABC ... XY**

**Prior Art**

**ABC ... XYZ**

**Patentable Combination**

**Everything new is patentable (almost)**

– **if you claim enough elements**

# **Business Methods Are Patentable**

- **One-click method of internet selling (Amazon.com, Inc.'s U.S. Pat. No. 5,960,411).**
- **Method of selling magazine subscriptions, (Walker's U.S. Pat. No. 5,926,796).**

## **2. DEADLINES**

**Must File within One Year  
of Offering Invention's  
Product for Sale or It's  
Becoming Publicly Known**

**(Foreign rules are different)**

### **3. INFRINGED?**

**Does the accused device  
contain all of the claim's  
elements?**

# INFRINGEMENT ANALYSIS

Patent Claim	Claim's Elements	Accused Devices	Infringed?
1	A	A	Yes
		AB	Yes
		ABC	Yes
2	AB	A	NO
		AB	Yes
		ABC	Yes
3	ABC	A	NO
		AB	NO
		ABC	Yes

# PATENTABILITY VS. INFRINGEMENT

1. Everything new is patentable (almost)  
- if you claim enough elements.
2. But the more claimed elements, the less its value (maybe zero) - because fewer accused devices and methods infringe.

# PATENT ACTION STEPS

1. Get assignments from everyone – especially employees.
2. If your new anything is possibly valuable, call a patent attorney.



**IV**  
**TRADE**  
**SECRETS**

# TO WIN A TRADE SECRET SUIT

- ❑ Your “stuff” was relatively secret; and
- ❑ Defendants knew the stuff was secret

# WHAT “STUFF” CAN BE A TRADE SECRET?

Anything that gives you  
an advantage over your  
competitors and is relatively  
secret

# FIRE DRILL

- “Mr. Client, assume your top employees take your secrets to a competitor.”
- “What do you want to be able to tell the jury about how you protected your secrets?”

# TRADE SECRET ACTION STEPS:

## SECURITY PROGRAM

- Signed Employment Agreements
- Put Everyone on Notice (memo, confidentiality stamp, etc.)
- Restrict Access
- Termination Forms
- Periodic Audit

**V**

**GOAL**

**ACCOMPLISHED!**

# YOU LEARNED ACTION STEPS

- I. TRADEMARKS – Be first and get federal registrations
- II. COPYRIGHTS – Assignments and registrations
- III. PATENTS – Assignments and call patent attorney
- IV. TRADE SECRETS – Security program (includes agreements)

# ABC Inc.

## Extra Assets

# XYZ Inc.

### Soft Assets

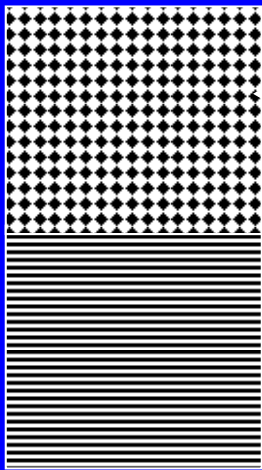
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- Common Law Trademark and Trade Secret protection

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- Building, Equipment, Inventory

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