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Mission Community Services Corporation

Brown Bag Luncheon Seminars

INTELLECTUAL PROPERTY PRIMER

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Presented by

Kim Mistretta

Q: Just what is “intellectual property,” anyway?

A: Lots of different things.

Q: Does *my* business have any?

A: Yes, almost certainly!...

Q: How can I protect it?

A: Lots of ways.

Sorry, no definition for you to write down... just practical examples of things generally considered to be “intellectual property.” (Do you recognize anything *your* business has?)

1) Design of things that *do* stuff: tools, machines, computer programs, chemicals, plants, business methods, many more. (not the things themselves — the *design* of them.)

Protection: a) **Utility Patent** rights: By Government “*utility*” patent* registration for things meeting gov’t requirements (allows holder to disclose, yet get monopoly for 20 years).
Drawback: very expensive; limited availability (must meet tests for novelty, usefulness, etc.).

b) By private contract

c) By applying physical/technological protection. By designing in elements as admit of government protection. By keeping secret those parts of the things as admit of being kept secret.

2) Ornamental designs of tangible things (purely ornamental, i.e., the design/shape, etc., doesn’t *do* anything (see No. 1 above, utility patent), and it’s *not* used as an indicator of *source* (see No. 4 below, trademarks): devices (iMac, iPad); car bodies (grilles, taillights, etc.), furniture, clothing, luggage, many more

Protection: a) **Design Patent** rights: Government “*design*” patent* registration for things meeting gov’t requirements (monopoly for 14 years). Much cheaper than utility patents, but monopoly limited to looks only, not function. (“Design Registration” in EU — 25 years)

b) Private contract, with your:
Employees
Consultants/contractors/vendors
Customers

3) Expressions of ideas or creative matter:

Written matter: Books (fiction or non-fiction), articles, plays, lectures, seminar handouts, blogs, (tweets?), computer program code, product manuals, databases, advertisements, catalogs, song lyrics and sheet music.

Visual matter (2-D and 3-D): Paintings, drawings, cartoons, photographs, sculpture, architectural works (plans *and* in some cases, completed buildings), fabric designs, designs on clothing (designs used as decoration only, i.e., *not* used as an indicator of *source*-see 4 below, trademarks), jewelry, toys

Multimedia: Movies, videos, performances of music, sounds, CDs/DVDs

- Protection:
- a) **Copyright** rights: The creator has “common law” copyright rights in a work merely by *creation* of it (protectable by gov’t lawsuit), even if not *registered*. (You can, and should, put the © on it, even if not registered anywhere....) Having “copyright” in a work gives the creator/owner certain exclusive rights to the work: The right to make copies of the work; make derivative works; to publicly perform the work; to display the work.
 - b) Government copyright *registration* (protection for 75+ years). Advantages of registration:
 - i. Stronger lawsuit rights (Federal vs. State law and courts; higher damages available.)
 - ii. Others (potential adversaries *and* allies) have better means of finding owner, seeing rights.
 - iii. Possible qualification for seizure by U.S. Customs
 - vi. Very inexpensive: \$35 and a one-page form.
 - c) Private contract, with your:
 - Employees
 - Consultants/contractors/vendors (graphic designers, tech writers, photographers, code writers, website designers/managers)
 - Customers
 - Business partners
 - d) (The best!) Physical/technological protection (DRM, etc.). Secrecy of elements that can be kept secret.
 - e) “Moral right”. For *visual/artistic* works only-- can give creator control over future artistic integrity of their works, and attribution of their name to the work, even if they have given away the actual ownership/copyright of the work.)

4) Things used to identify the source of a good/service:

words: “NIKE”

visual designs (still or moving): the Nike “swoosh”

slogans: “Just do it”

colors (individual): pink insulation

(or combinations): sports teams

sounds: Windows “startup chime”

shapes of product or packaging: Coca-Cola bottle

elements of interior/exterior design of businesses or buildings

Protection: a) Trademark rights: A user has “common law” rights to a mark merely by first *use* (protectable by gov’t lawsuit) of the for their particular goods/services, even if not *registered* with any government. (Put the TM....)

b) Government trademark *registration*:

Federal registration (protection for as long as you keep using it, and keep paying). Advantages of Federal registration:

- i. Stronger lawsuit rights (Federal vs. State law and courts; higher damages available.)
- ii. Others (potential adversaries *and* allies) have better means of finding owner, seeing rights.
- iii. Can put the ®, instead of just TM.
- iv. Registration gives more rights in ICANN domain-name arbitration.
- v. Possible qualification for seizure by U.S. Customs

California registration (protection for as long as you keep using it, and keep paying). Advantages of California registration:

- i. Somewhat stronger lawsuit rights
- ii. Much cheaper than Federal registration
- iii. Even State registration gives more rights in ICANN domain-name arbitration.

c) **Private contract**, with your:

Customers

Business partners

5) Things pertaining to a person (or business, sometimes): Name; photo or likeness; stage or literary persona; name of business.

Protection: a) The person/business has “common law” rights, and under some State (California) statutes (protectable by gov’t lawsuit)

b) No “registration” available, unless, in some circumstances, a person’s

name/image/likeness/persona are also used as *trademarks*, in which event Federal and State trademark registration can be available (see 4 above).

c) Fictitious Business Name Statement filing
(Careful: Very limited protection, and protects use of a name as the *name* of a business only, not as a trademark)

d) Private contract, with your:
Customers
Business partners

6) Things that are of value because they are not generally known (“trade secrets”): Customer lists; know-how or technologies, business methods, procedures, etc., that represent a competitive advantage, but are not of the type as would qualify for patent protection.

Protection: a) Some “common law” rights, and under some State trade-secret or unfair-competition statutes (protectable by gov’t lawsuit), but no monopoly

b) Gov’t registration? No, no registration available, unless, in some circumstances, some elements of the thing are something as could be the subject of patent, or copyright, in which event Federal patent/copyright registration is be available for those elements (see 1,2, and 3 above).

c) Physical:

Maintain secrecy.

Divide up product/services among many employees/contractors/suppliers, to minimize the number that ever know or have possession of the whole thing.

Mix unprotectable elements with protectable elements (trademarks, copyrightable material).

Mix physical elements (discs, dongles, paper) into digital, and control the physical elements.

d) Private contract, with your:

Employees (Have them sign NDA/invention assignment agr, work-for-hire)

Consultants/contractors/vendors (graphic designers, tech writers, photographers, code writers, website designers/managers).
Contract provides all work product owned by hirer.

Customers

Business partners

Q: Could *my* business be misusing someone *else's* IP?

A: Unfortunately, quite probably yes....

Q: How can I protect my business from these kinds of claims?

A: Education (for owners and employees) as to what kinds of things are likely the intellectual property of others—like 1-6 above.

Take regular inventory/audit of all intellectual property being used by your business, and where it came from.

If your business involves development/sale of anything of types 1 or 2, you should consult with patent counsel* for guidelines on when searches of prior patents are advisable, to avoid claims that your product/design is not infringing somebody else's patent.

As to almost any example of anything of the types 3, 4, 5 or 6 above that your business is using, unless it was created completely by your own employees, or your use of it is with specific permission from the creators or owners of it, you are probably violating someone else's intellectual property rights.

“Well, *they* put it on the Internet...”: Just because somebody put something on the Internet, or because it physically *can* be copied, doesn't mean the owner has given up their ownership of it, under copyright, trademark, or other forms of IP rights discussed above. Virtually everything found on the Internet still belongs to *someone*, and your use of it without permission is a violation of their rights.

Common problem areas:

Photos: Unless you *took* the original photo, your use of it is almost certainly a violation of someone else's rights. Also, even if you *did* take the original photo, someone else may have rights in what is *shown* in the photo (such as people (especially famous people..), things with brands

showing, etc.), meaning that others have rights to limit what *uses* the photographer can make of the photo.

Music: Unless you both composed the underlying words and music, and performed it, all or part of it is almost certainly owned by someone else, probably many others.

Trademarks or names of other businesses: Almost any mention by your business of a trademark belonging to some else, or even a name, without permission, represents *possible* exposure.

Names/images of people: Using the *name*, and especially the image, of a person without permission may be a violation of their rights (at least in California).

Repostings from blogs, news articles, etc.: Somebody else almost certainly owns the copyright in these, and permission really should be obtained, unless the original article actually says something permitting re-publishing.

Work done for you by independent contractors (writers, programmers, photographers, graphic artists, web designers): Unless otherwise specifically agreed in a written contract, ownership of their work product is generally presumed to belong to the contractor, *not* the customer who hired them. Have a contract in advance, saying you own their work product.

* Mr. Mistretta does not hold a license to practice *patent* law, so everything above relating to patents is intended as general information only, and licensed patent counsel must be consulted for any definitive advice.

Mr. Mistretta is the principal of The Law Offices of Kim Mistretta. His 34 years of practice have consisted mainly of advising businesses (at present mostly in software and other technology areas) on their corporate, employment, contract, intellectual property, and real estate matters. He is a member of the Intellectual Property, Business Law, and Real Property sections of the State Bar of California. He is a graduate of the University of Southern California (A.B. Magna Cum Laude 1974 Economics; Juris Doctor, 1977).