BASICS OF INTELLECTUAL PROPERTY (IP)

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DISTRIBUTION A
The views expressed are my own, and do not necessarily reflect the position or policy of the Department of the Navy.
OBJECTIVE

• Provide a general understanding of the basics of IP: Inventions, Patents, Trademarks, Copyrights, and Trade Secrets
INTELLECTUAL PROPERTY (IP)
WHAT IS INTELLECTUAL PROPERTY (IP)?

• IP is:
  • Inventions
    • Patents
    • Trade Secrets
  • Trademarks, Service marks
  • Copyrights
INVENTIONS
WHAT IS AN INVENTION?

➢ Must reach “threshold” to be an invention

➢ Invention = 1. IDEA

2. Knowledge of how to make/operate the invention without undue experimentation

➢ 1 + 2 = “conception”

➢ Need both- mere idea is not enough

➢ No prototype needed

➢ Steps must be sufficient to enable one skilled in the art to which invention pertains, to MAKE and USE the invention without undue experimentation
PATENTS
The “right to exclude others from making, using, offering for sale, or selling” the invention or “importing” the invention into the United States.
WHAT IS A PATENT?

• There are three types of patents:
  • Utility patents - new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof (computer software, explosive, missile);
  • Design patents - ornamental design (Coke bottle) ; and
  • Plant patents - asexually reproduces any new variety of plant (rose bush).
WHAT IS “NOT” A PATENT?

Non-Patentable Subject Matter
- Laws of Nature
- Natural Phenomena
- Pure Algorithms
WHY DOES THE NAVY FILE PATENTS?

- **Defensive patenting** - primary intention of defending a company against patent infringement lawsuits
- **Generate Royalties** - The federal government, through the operation of government-owned research facilities, research grants to universities and procurement contracts with private industry, funds almost 50% of the national R&D effort.
- The federal government has the most United States patent rights; over 30,000 patents and annually files several thousand new applications.
- The government also has rights to nonexclusive, irrevocable, royalty-free licenses in thousands of patents.
- In addition, the government has a myriad of other patent rights where the invention are made under a federal funding agreement, which include:
  - march-in rights
  - rights to require the owner to license others
  - Can request licensing of background patents
  - rights to approve assignments (non profits only)
WHO OWNS THE INVENTIONS/PATENTS OF GOVERNMENT EMPLOYEES?

- Patent rights between the government and its employees is covered by E.O. 10096
  - The USG is presumed to own any invention made by a USG employee
  - There are exceptions based on equity
- Patent Rights Determination Test – E.O. provides that the government shall obtain all rights to any invention made by an employee if any one of the following conditions applies:
  - the invention is made during working hours; or
  - the invention is made using either government facilities, equipment, etc., or is made with the help of another government employee who is on official duty; or
  - the invention relates to the official duties of the inventor.
LIFECYCLE OF A PATENT

1. Identify your invention and document all steps of the invention in your lab notebook
2. Submit an invention disclosure
3. File a patent application that describes the invention
4. USPTO review of the invention
5. Issuance of a patent
6. Expiration of a patent
TIME DEADLINE AND TERM FOR A PATENT

- Application for patent must be filed within one year of written public disclosure, offer for sale, or public use.

Term of a Patent

- If a patent was applied for before June 8, 1995, the term is 17 years from the date of issuance.
- If a patent was applied for on or after June 8, 1995, the term is 20 years from the date of application.
- In both cases, maintenance fees are paid to keep the patent in force.
- Terminal Disclaimers can add time to patent life.
- Patent term extensions (calculated by USPTO based on USPTO delay during the examination process and published on issued patent) can extend patent life.
TRADEMARKS/SERVICE MARKS
WHAT IS A TRADEMARK/SERVICE MARK?

- Trademark:
  - 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.

- Service Mark:
  - same as a trademark except that it identifies and distinguishes the source of a service rather than a product.

- The term “Trademark,” unless otherwise stated, encompasses both trademark and service mark.
Trademark Laws

- Federal – is mainly governed by the Lanham Act
  - Marks registered with the U.S. Patent and Trademark Office are given a higher degree of protection in federal courts than unregistered
- State/Common Law - Common law trademark rights are acquired automatically when a business uses a name or logo in commerce, and are enforceable in state courts
- Trademarks—both registered and unregistered trademarks are granted some degree of federal protection under the Lanham Act 43(a)
WHY DOES THE NAVY HAVE TRADEMARKS?

- Office of Naval Research registers & licenses all Navy TMs
  - Trademarking SSP marks and logos
- U.S. Navy Trademark Licensing Program was established to:
  - Enhance the image and reputation of the Navy
  - Strengthen the Navy’s trademark rights
  - Extend and protect the Navy brand while stimulating recruiting and retention
  - Support (MWR) activities from royalties (10 U.S.C. § 2260)
- Federal law prohibits unauthorized use of Navy trademarks
- All item with Navy trademarks must be purchased by approved licensed vendors (contact ONR for the list of vendors)
About 12 to 18 months for registering a trademark

Process:

1) The Application
2) The Examination Process
3) Publication for Opposition
4) Registration or Notice of Allowance
5) A trademark can last indefinitely, so long as it is renewed and remains in continuous use.

After initial trademark registration, the trademark is valid for six years
COPYRIGHTS
WHAT IS A COPYRIGHT?

- Copyright begins when the work is fixed in a tangible medium of expression.
- Protects only the original expression of ideas, and not the underlying ideas themselves.
- 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.
- Generally, in a work created in 1978 or later, Copyright protection lasts for the life of the author plus an additional 70 years.
- In a work created in 1978 or later, and made for hire, or for which the author cannot be identified, the copyright endures for a term of 95 years from the year of its first publication or a term of 120 years from the year of its creation, whichever expires first.
MAY THE U.S. GOVERNMENT OWN A COPYRIGHT?

Unfortunately No!

17 USC 101 states: A "work of the U.S. Government" is a work prepared by an officer or employee of the US Government as part of that person's official duties.

17 USC 105 states: Works created by the federal government are not copyrightable.

Yes if, the applicable statutory provision in the 17 USC 105, which states:

Copyright protection under this title is not available for any work of the U.S. Government, but the U.S. Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise.
COPYRIGHT LAWS

- Federal – US Copyright Office (Library of Congress)
  - Can federally register your copyright with the US Copyright Office and which allows federal protection and be able to sue in federal court
  - Copyright Act of 1976

- Common Law or State-Law Copyright - is the legal doctrine which grants copyright protection based on common law of various jurisdictions, rather than through protection of statutory law.

- Under the DFARS, copyright ownership remains with the contractor unless assigned to the government (Special Works Clause requires assignment DFARS 252.227-7020)

- Copyright marking should not hinder distribution within the government unless there is a Distribution Statement(e.g. export control) or Rights Marking
TRADE SECRETS
WHAT IS A TRADE SECRET?

SHHHHHH!!!!
WHAT IS A TRADE SECRET?

A trade secret is:

- Invention, know-how, discovery, technique
- Formula, computer program, process, method, pattern, device
- Customer lists, pricing information, compilation of information

Compared to patents, the advantages of trade secrets are that a trade secret is not limited in time.

In the US, TS is a property right, whereas the UK it is an equitable right.
IDENTIFYING A TRADE SECRET

**Coke-Cola**

- The formula for making Coca-Cola
  - code name "Merchandise 7X"
  - Coca-Cola did once contain an estimated nine milligrams of cocaine per glass, but in 1903 it was removed
  - 1st formula for Coke was patented in 1893

**KFC**

- The fried chicken recipe of KFC
  - 11 herbs and spices
TRADE SECRET LAWS

- Trade secrets are governed by federal and state laws
- Uniform Trade Secrets Act (UTSA) provides legal framework to better protect trade secrets for U.S. companies operating in multiple states.
- Federal law – Defend Trade Secrets Act (DTSA) allows federal law suit for misappropriation of trade secret
- Recent US case law has held that where a trade secret is disclosed under an Non-Disclosure Agreement (NDA) that expires after a specific time period, the obligation to protect the trade secret also expires after that time period (*DB Riley Inc. v AB Engineering Corp*)
- California - trade secret only if reasonable efforts have been made to protect its secrecy.
  - “Reasonable efforts to limiting access on ‘need to know basis,’ and controlling plant access.”
  - Extreme and unduly expensive measures do not need to be taken to protect trade secrets.
Companies often try to discover one another's trade secrets through:

- lawful methods of reverse engineering
- unlawful methods including industrial espionage on the other (Acts of industrial espionage are generally illegal in their own right under the relevant governing laws, and penalties can be harsh.)

Owners of trade secrets seek to protect trade secret information from competitors by instituting special procedures for handling it, as well as technological and legal security measures.

Industry typically uses NDAs to protect TS in commerce.
UNAUTHORIZED DISCLOSURE

Government personnel are cautioned that violation of either of the following statues may result in criminal penalties:

✓ TITLE 18 U.S. CODE, SECTION 1905
  - Title 18 U.S. Code, Section 1905, subjects any employee to imprisonment, fines, and removal from office for unauthorized disclosure of any trade secrets coming to him or her in the course of employment or as a result of their official duties.
INTELLECTUAL PROPERTY OF MICROSOFT

• Invention
  • Patent (new, useful, non obvious, right to exclude)
    • Object code/hardware for touch screen technology
  • Trade Secret (secret device/technique used by a company in manufacturing its products)
    • Source code/hardware for touch screen technology

• Copyright © Microsoft 2018

• Trademark™/Service Mark™
  • Microsoft – the name (Microsoft®) (Class 1-34)
  • Microsoft – the service (MicrosoftSM) (Class 35-45)
  • Microsoft – the logo