



Overview of U.S. Intellectual Property Laws

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Generally, intellectual property includes the rights provided under the federal laws governing patents and copyrights, federal and state trademark laws and state laws protecting trade secrets. To make a choice among the available protection options, it is helpful to view intellectual property protection as a continuum with weak protection at one end and strong protection at the other. Weak protection involves trade secrets and contractual protection, a medium level of protection involves copyrights, and strong protection involves patents.

Some basic aspects of intellectual property law are described below:

Patents

- Patent law protects inventions consisting of a product or process. A patentable invention must be novel, useful and non-obvious.
- The novelty requirement is met if the invention is different from what is known to the public, though this difference need not be great. The invention must not have been previously invented by somebody else and must not have been described in a printed publication, offered for sale in the U.S. or in public use in the U.S. more than one year prior to the filing of a patent application. The usefulness requirement is met if there is a current beneficial use of the invention or, if the invention is a process, a beneficial use of the product of the process, though the invention need not be better than the available alternatives. The threshold for usefulness is very low; most inventions meet this requirement. The requirement of non-obviousness is met if the invention is not obvious to a person having ordinary skill in the relevant art (i.e., the field of the invention) as it existed at the time the invention was made.
- A recent appellate court decision limits the patentability of business methods and software-related innovations. To qualify for a patent, a process must either be tied to a particular machine or transform one kind of thing into a different state or thing (e.g., manipulating data corresponding to an X-ray of a patient).
- An invention may be protected as a trade secret (discussed below) if it has been maintained in secrecy. It remains a trade secret when described in a patent application filed with the U.S. Patent & Trademark Office (“PTO”). Patent applications are kept secret with the PTO until they are published eighteen months after filing.
- A patent gives the owner the exclusive right to prevent others from making, using, selling, offering for sale and importing a product or process that falls within the scope of the patent’s claims.
- U.S. patent protection lasts for twenty years following the date the patent application is filed. Patent protection in other countries may be initiated by filing a single Patent Cooperation Treaty (“PCT”) application, which is subsequently prosecuted on a country-by-country basis where protection is sought.
- Generally, a product, process or system infringes a patent if it contains all of the elements described in a single claim of the patent.

Trade Secrets

- Trade secret law applies to any information, device, technique, design, process, composition, or formula that is not generally known to the public and which gives its owner a competitive business advantage. Once a trade secret becomes public knowledge, the trade secret is lost forever.
- Trade secret law protects owners against the unauthorized use or disclosure of their trade secrets by others who are given access to the information.
- To protect its trade secrets, an owner must use reasonable efforts to maintain the secrecy of the information. These precautions include, at a minimum, using nondisclosure agreements with third parties to whom trade secrets are disclosed and having employees sign employment agreements requiring the employee agrees to keep the employer's information secret.
- Trade secret protection is ineffective against anyone who independently discovers or develops the same information without having obtained it from the trade secret owner.

Copyrights

- Copyright law protects literary, dramatic, musical and artistic works, including software. Unlike patent law, copyright law does not protect the underlying ideas of a work, but rather it protects the creator's particular way of expressing those ideas.
- A copyright provides the owner the exclusive right to copy, adapt, modify, distribute, display and publicly perform the copyrighted work.
- A copyright notice – the © symbol together with the name of the copyright owner and the date of creation – serves to put others on notice that a particular work is copyrighted.
- Registration of a copyright with the U.S. Copyright Office is not required for copyright protection, but is required in order to bring a copyright infringement lawsuit.

Trademarks

- A trademark is any word, name or symbol or any combination thereof which is used to identify and distinguish one's goods or services from those manufactured or sold by another, and can include slogans, logos, colors, shapes, sounds, and scents.
- Under U.S. trademark law, a trademark owner has the exclusive right to prevent others from using a trademark that is likely to cause customers to believe that goods or services identified with the trademark are made or sold by the trademark owner.
- A trademark notice – the symbol ® for trademarks registered with the PTO and the ™ symbol for unregistered trademarks – serves to put others on notice of the trademark owner's rights in the trademark.
- Registration of a trademark with the PTO is not required for trademark protection, but it gives the registrant certain statutory enforcement rights.

The advantages and disadvantages of patents, trade secrets, copyrights and trademarks are summarized in the table below:

Form of IP Protection	What it Protects	Advantages	Disadvantages
Patents	Inventions – a new or improved product, system or process for making a product	Provides protection for ideas underlying the invention Presumed valid in enforcement actions Treble damages recoverable for willful infringement	Must publicly disclose the invention in order to obtain patent Does not last forever Expensive to obtain and enforce
Trade Secrets	Any information, device, technique, design, process, composition, or formula that is not generally known to the public and which gives its owner a competitive business advantage	Potentially can last forever No filing or public disclosure required for protection	Protection lasts only so long as it is maintained in secrecy Once secret becomes public, trade secret protection is lost forever No protection against independent developers Little protection against reverse engineering Requires diligence to always protect the secret
Copyrights	An expression of a literary, dramatic, musical, artistic or software work that is fixed in a tangible medium of expression	Can prevent direct copying of a work Easy and inexpensive to obtain a registered copyright Statutory damages up to \$150,000 may be recoverable for willful infringement	Does not protect the underlying ideas of the work Does not protect functionality of software Only protects against exact copies of software, or substantially similar versions of software
Trademarks	Any word, name, symbol or combination thereof, used to identify and distinguish goods or services of one party from those manufactured or sold by another	Prevents others from using one's mark to market their goods Prevents false designation of origin (i.e., false labeling indicating a third party's goods or services came from the trademark owner)	Does not protect intellectual property in software or functional elements of products