

NEW JERSEY TECHNEWS

Protect Yourself: Intellectual Property 101

BY IRVING N. FEIT, PH.D., J.D.



Irving N. Feit, Ph.D., J.D.

Intellectual Property (IP) is among the most important assets of an organization involved in developing new technology. Nevertheless, there are often many misconceptions about intellectual property among managers of such organizations.

Patents: What Is A Patent?

A patent is a legal document in which the federal government grants the patent owner the right to exclude others from making, using, selling, offering to sell, and importing the claimed invention. A patent usually issues two to four years after the filing of an application, and lasts for 20 years from the filing date.

A common misconception is that a patent grants the owner the right to practice the claimed invention. It does not. For example,

the patent owner cannot practice the claimed invention if doing so would infringe a patent of another. In such a case, a license from the other patentee, or a cross-license between the two patentees, is necessary for either lawfully to practice the invention.

What Can Be Patented?

According to the U.S. Supreme Court, patentable subject matter includes "anything under the sun that is made by man (sic, and, of course, woman)." The only exceptions are laws of nature, physical phenomena, and abstract ideas.

For example, patentable subject matter includes machines, as well as compositions of matter, such as molecules (including DNA), cells, genetically engineered plants, non-human animals, computer chips, etc. Methods, such as those for curing diseases and synthesizing molecules, also constitute patentable subject matter.

In the 1998 decision of *State Street Bank v. Signature Financial Group*, the United States Court of Appeals for the Federal Circuit (CAFC) confirmed the patentability of computer programs as long as they produce "a useful, concrete and tangible result." The result may, for example, be a business method.

Patent Applications

The first step in obtaining a patent is to file a patent application in the United States Patent and Trademark Office (USPTO). The application must include a description of the invention in sufficient detail to enable practitioners in the relevant field to practice the invention. The application concludes, "...with one or more claims particularly pointing out and distinctly claiming the subject matter" of the invention. The claims are the most important part of the application. They define the metes and bounds of the protection granted in the patent.

During prosecution of the patent in the USPTO, the inventor (usually through his or her representative) works with the patent examiner to ensure that the claims are technically enabled by the description in the application. The claims must also define the invention in a way that is distinguishable over the prior art.

Trade Secrets

Sometimes, a company decides that it is not in its interest to make the details of its invention public, as it must do in order to obtain patent protection. In such cases, the company may decide to maintain its invention as a trade secret.

Irv Feit is a partner in the intellectual property law firm of Hoffmann & Baron, LLP.

Unlike the federal patent law, trade secret law varies from state to state. In most states, however, two basic requirements must be met. First, there must be information that derives independent economic value from not being generally known to the public. In addition, reasonable efforts must be made to maintain secrecy of the information.

Trade Secrets have the disadvantage to their owners that competitors have the right to discover the secret information through lawful means, such as reverse engineering. The advantage to the trade secret owner is that the information can, at least theoretically, remain secret indefinitely.

Some examples of valuable trade secrets from the past include the formulas for Listerine and Coca Cola. With continuing advances in analytical techniques, however, it is increasingly difficult to maintain information secret.

Copyrights

Federal copyright protection is available for "original works of authorship fixed in any tangible medium of expression." Copyrights

are available for most forms of artistic expression, such as literature, music, and drama. Copyright protection is also available for commercial expression, such as computer programs and instruction manuals. Copyright protection accrues upon fixation of the work in a tangible medium. The protection lasts for the life of the "author" and 70 years thereafter.

The protection accorded by copyrights does not extend to any of the ideas embodied in an original work of authorship. Copyright owners are protected only from unauthorized copying of the expression of the work. Thus, if each of several authors independently composes a separate novel regarding a single event, each novel would be entitled to separate copyright protection. Similarly, if several artists paint the same physical scene (e.g., a mountain), each would be entitled to separate copyright protection. In each case, the copyright protects the expression -- the novel or painting -- but not the idea -- the event or the mountain.

Other Protection for Intellectual Property

IP protection is also available for creative

works that do not constitute traditional, useful inventions. Examples of such IP protection include ornamental designs, semiconductor chips, boat hulls, and new varieties of plants.

Trademarks

The goodwill created by a business can also be protected under the unfair competition laws, such as the federal Lanham Act of 1946 and similar state statutes. These laws create protectable rights in trademarks (and service marks), brand names, and trade dress. (A "mark" can be a word name, symbol or combination thereof). Such rights prevent competitors from misappropriating goodwill, and protect consumers from being confused as to the source of goods and services. Marks can be indicated by adding the symbol TM or SM after the mark. The protection can be enhanced by registering the mark in the USPTO. Registration is usually indicated by adding the symbol ® after the name.

HOFFMANN & BARON, LLP

Intellectual Property Law

Transforming Ideas into AssetsSM

New York Office 6900 Jericho Turnpike Syosset, NY 11791 (516) 822-3550 Fax (516) 822-3582
New Jersey Office 1055 Parsippany Blvd. Parsippany, NJ 07054 (973) 331-1700 Fax (973) 331-1717

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