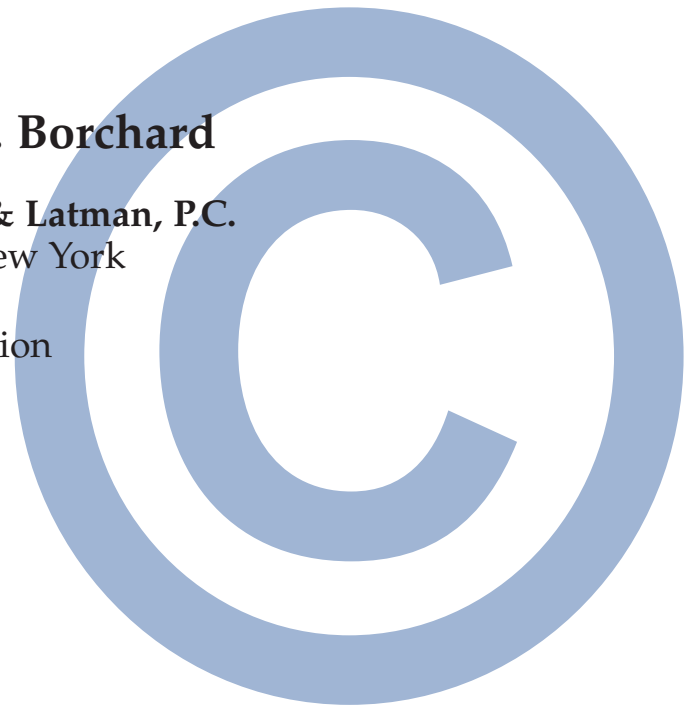

**A
Trademark
is Not a
Copyright
or a
Patent**



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New York, New York

2005 Edition



PATENT

Although trademarks, copyrights and patents all concern intangible property rights and overlap to some extent, they differ from each other significantly. If you know the attributes of each, you can take full advantage of them. And the failure to get appropriate protection is an invitation to pirate. Competent legal advice often is advisable because all three areas of law are changing, especially as applied to new technology. It may help to distinguish them by remembering that:

- **Trademarks** protect source identifications (marks of trade);
- **Copyrights** protect original literary and artistic expressions; and
- **Patents** protect new and useful inventions.

For example, think of a TV set in an ornamental cabinet. Trademark protection would apply to the brand name for the TV; copyright to the programs viewed on it and perhaps to the artistry of the cabinet; utility patent to new and non-obvious functional features of the electric circuitry; and design patent to new, original and ornamental features of the cabinet.

This pamphlet summarizes the principal attributes of these various types of protection.



While originally part of the radiator cap, the Rolls-Royce "Flying Lady" mascot hood ornament has features suitable for simultaneous protection as a registered trademark, a copyrighted sculptural work and a patented design.

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What is a Trademark?

A **trademark** is a word, logo or package design, or a combination of them, used by a manufacturer or merchant to identify its goods and distinguish them from others. Trademarks include **brand names** identifying goods (*Dole* for canned pineapple) and **trade dress** consisting of the graphics, color or shape of packaging or, after sufficient use, of goods (*Coca-Cola Bottle* for a soft drink); **service marks** identifying services (*McDonald's* for a restaurant service); **certification marks** identifying goods or services meeting specified qualifications (*Woolmark* for apparel made of 100% wool); and **collective marks** identifying goods, services or members of a collective organization (*The International Game Fish Association* for a game fishing organization). The same legal principles generally apply to all of these terms, often simply called "marks."

How to obtain trademark rights.

You need not register a trademark to have protectible exclusive rights in it, and reserving a corporate name in one or more states is irrelevant to trademark rights. Simply by using a mark on or in connection with goods, or by displaying the mark in the sale or advertising of services, you can automatically acquire trademark rights in the geographic area of use.

But, you can stake out nationwide trademark rights by applying to register the mark in the U.S. Patent and Trademark Office. (One reason why people confuse trademarks with patents seems to be that both are handled by the same office, but the trademark and patent operations are completely separate.)

Federal trademark registration.

Registration of a mark is not mandatory, and rights will be protected without registration if you have actually used the mark. But it may be advisable to establish your rights by applying to register the mark in the U.S. Patent and Trademark Office even before use. You can base an application on one or more of the following:

- actual use of the mark in commerce;
- a bona fide intention to use the mark in federally regulated commerce (but the mark subsequently must be used in the ordinary course of trade, and not merely to reserve a right in the mark, before the registration will be issued);
- a non-U.S. owner's country of origin application filed during the previous 6 months, or its country of origin registration, in either case with a statement of a bona fide intention to use the mark in commerce (although use before registration is not required).

Brand
Name



Trade
Dress



Service
Mark



Certification
Mark



Collective
Mark



- a non-U.S. owner's extension to the U.S. of its international registration issued by the World Intellectual Property Organization in Geneva, based on a country of origin application or registration, with a declaration of a bona fide intention to use the mark in commerce that Congress can regulate (which extension is examined as a U.S. application, although use before registration is not required).

Trademark applications are subject to an examination process, and registration will be refused if the mark:

- is not capable of distinguishing the applicant's goods or services from those of others;
- consists of immoral or scandalous matter;
- consists of a flag or coat of arms of the United States or other governmental entity;
- consists of the name, portrait or signature of a living individual without that person's consent;
- so resembles another registered trademark, or a mark or trade name previously used by another and not abandoned, as to be likely to cause confusion, mistake or deception when applied to the applicant's goods or services;
- is merely descriptive or deceptively misdescriptive of applicant's goods or services and has not become recognized as an indication of source;
- is deceptive or geographically deceptively misdescriptive of applicant's goods or services; or
- comprises any matter that, as a whole, is functional.

You also must file a specimen showing the mark as actually used in commerce, such as on labels or packaging, either at the time you file the application, or at least before registration, if the application is not by a foreign applicant based solely on a foreign application or registration.

Anyone with a commercial interest can oppose a trademark application on the ground that registration should not be granted for one of the reasons stated above, or that the mark is likely to cause confusion with a previously used mark, or is likely to dilute the distinctiveness of a famous mark.

State trademark registration.

Although a federal trademark registration provides nationwide protection, a state trademark registration also can be useful (for any or all of the following reasons):

- it is available to purely local businesses that cannot qualify for a federal registration;
- it is issued almost automatically, quickly and inexpensively;

- it will be listed in search reports obtained by others; and
- it can be more persuasive to other local businesses and to state court judges than a federal registration.

Federal registration rights generally take precedence over state registration rights and normally can provide superior procedural advantages, however.

Advantages of federal trademark registration.

When issued, which normally takes over one year, a federal registration has substantial advantages:

- it confers nationwide priority rights effective from the U.S. application's filing date (or the foreign application's filing date for U.S. registrations based on a foreign country of origin application filed during the previous 6 months);
- it will be listed on search reports obtained by others;
- it is evidence, albeit rebuttable, of the registrant's exclusive ownership rights, shifting the burden of proof to anyone challenging those rights, and in some circumstances it can be conclusive evidence of those rights;
- it is required for increased remedies against counterfeiters;
- it gives federal courts jurisdiction to hear infringement claims, counterfeiting claims, and related claims of unfair competition under state law;
- it precludes states from requiring modifications in the display of registered marks and from applying their own dilution laws;
- it precludes claims under state dilution laws;
- you can use it as a basis for registration in some foreign countries; and
- you can record it with U.S. Customs Service to prevent importation of foreign goods by third party infringers or even by foreign licensees not under common corporate ownership with you.

Notice of trademark registration.

It is inappropriate to use a trademark registration notice before you actually have registered the mark, and such inappropriate use also may prevent you from obtaining relief against an infringer. You can use the informal symbol TM (for trademark) or SM (for service mark) with an unregistered mark to indicate that you claim common law trademark rights.

After federal registration, you can use a statutory trademark registration notice in one of the following forms: the symbol ®, the phrase "Registered U.S. Patent

and Trademark Office,” or the abbreviation “Reg U.S. Pat. & Tm. Off.” This notice is not mandatory, but you must use it to get damages from an infringer under some circumstances.

How long trademark rights last.

Trademark rights continue indefinitely as long as you neither abandon the mark nor permit it to lose its trademark significance by becoming a generic term. On the other hand, you must maintain a federal trademark registration by filing a declaration, during the year before each sixth and tenth anniversary after issuance (except 6 months before the tenth anniversary for an international registration extension), that the mark is in bona fide use in commerce in the ordinary course of trade and not merely to reserve a right in the mark. You must also renew the registration every 10 years. The federal law provides that non-use of a mark for 3 consecutive years is ordinarily considered proof of an intention to abandon it, opening the way for someone else to claim exclusive rights in the mark.

Who owns a trademark.

In the U.S., unlike many other countries, if you are the first user of a mark, you normally are considered its owner even if someone else has been the first to apply to register the same mark (unless the application was based on a bona fide intention to use the mark and was filed before your use, or the application has the priority of a foreign country of origin application filed during the previous 6 months and before your use).

As the owner of a trademark, you may license another to use it but you must control the nature and quality of the licensee’s goods or services under the mark. Similarly, you may assign the mark to another party, but the assignment must include the good will of the business symbolized by the mark as well as any existing registrations or pending applications, except that you can assign pending intent-to-use applications only to a successor to an ongoing and existing business.

What infringes a trademark.

Federal and state trademark law protects a mark whether or not it is registered. It is an infringement for someone else to use the same or a confusingly similar term, on the same or closely related goods or services, in the same geographical area, or in some cases, within a natural area of expansion.

Unfair competition.

Trademark infringement is one form of unfair competition. The federal trademark law protects against a likelihood of confusion, mistake or deception about the source, affiliation, sponsorship or approval of goods or services or commercial activities of another. It also protects against the use of any false or misleading statement of fact in commercial advertising or promotion which contains a

misrepresentation about that person’s or another’s goods, services or commercial activities.

The federal law, and some states, also protect the owner of a highly distinctive or famous mark against dilution by the blurring of its distinctiveness or the tarnishment of its image even if there is no likelihood of confusion.

Trademark searches.

If you wish to adopt a new trademark, you should first obtain a search report. Someone else may already have acquired national rights to that mark by having filed an application for a federal registration, obtained an issued federal registration, or established local rights by having obtained a state trademark registration or even by using the mark without registration. Your attorney can order a search from a reputable searching company, and can interpret the report for you.

Remedies for trademark infringement.

Some states have criminal penalties for certain forms of trademark infringement. Civil remedies are also available under the federal law and most state laws:

- an injunction against future infringement (which is the only remedy against printers, publishers of periodicals, and television and radio broadcasters who print or transmit infringing advertisements but prove they are innocent infringers);
- the infringer’s profits;
- damages for past infringement suffered by the owner of the mark (which may be trebled under the federal law);
- destruction of all materials bearing the infringing mark and sometimes the recall of infringing goods from the market; and
- the costs of the action, and in exceptional cases, reasonable attorney’s fees.

You cannot recover profits or damages under the federal law unless either the infringer had actual notice of the registration or you used a trademark registration notice.

Remedies for trademark cybersquatting.

The federal law provides civil remedies against a person who has a bad faith intent to profit by registering, trafficking in or using a domain name that is identical or confusingly similar to a distinctive mark or living person’s name or is dilutive of a famous mark. In addition to the usual remedies for infringement, there are special remedies:

- cancellation or transfer of the domain name to the plaintiff; and
- instead of actual damages and profits, at the election of the plaintiff, statutory damages from \$1,000 to \$100,000 per domain name.

Remedies for trademark counterfeiting.

There are criminal penalties and stiffer civil remedies under federal law (and some state laws) for intentionally dealing in goods or services knowingly using a counterfeit mark or an Olympic designation.

The federal criminal penalties are:

- a fine for individuals of not more than \$2 million (or \$5 million for a second or subsequent offense), or imprisonment not exceeding ten years (or twenty years for a second or subsequent offense), or both; and a fine for corporations or partnerships of not more than \$5 million (or \$15 million for a second or subsequent offense);
- seizure of the enterprise's vehicles, equipment and storage facilities; and
- destruction of articles bearing the infringing marks.

The federal civil remedies are:

- seizure, without notice, of the goods, counterfeit marks, means of making the marks, and relevant business records;
- mandatory treble damages and attorney's fees (including investigator's fees); and
- instead of actual damages and profits, at the trademark owner's election, statutory damages of \$500 to \$100,000 for each type of goods or services for which each counterfeit mark is used (subject to increase to \$1,000,000 for willfulness).

International trademark protection.

There are three ways that a U.S. business can register a trademark outside the U.S., but it takes careful analysis to design an international protection program since each approach has advantages and disadvantages:

- under national laws, apply for a registration in individual countries (or for a Benelux registration covering Belgium, Netherlands and Luxembourg).
- under the Community Trade Mark central registration system, apply in Alicante, Spain for a single registration covering all 15 current member countries of the European Union and all 10 expansion countries after they become EU members on May 1, 2004.
- under the Madrid Protocol central filing system, apply in the U.S. Patent and Trademark Office, based on a U.S. application or registration, for an international registration issued by the World Intellectual Property Organization in Geneva, Switzerland. The international registration can be extended as a local application filed in each country you designate among the 59 other Protocol countries.

No matter which of these filing methods you use, you normally can claim the priority of the filing date of the first application you filed during the previous six months in a country that is a signatory to the Paris Convention, such as the U.S.

Almost all trademark registrations can be attacked for invalidity if you do not use the registered mark in the country or region covered by the registration within three to five years after issuance.

Trademark licensing is an important aspect of international trade. Some countries require you to record licenses or to register permitted users, and failure to do so can invalidate the trademark. As noted earlier, recording registered trademarks with the U.S. Customs Service can help you to keep infringing goods from being imported.

Domain name protection.

A domain name is a word followed by a suffix such as .com, .org, .net, .info, .biz, or a number of other similar elements, or a country code. It is a computer address that you can use either as a worldwide website locator (www.cll.com) or as an email address (law@ccl.com), or both. You register a domain name in one of the registries that is part of the Internet system. And if you use all or part of a domain name prominently as a source identification on a web page or in advertising, you also can register and protect that identification as a trademark.

If a cybersquatter, in bad faith, registers a domain name that includes your registered trademark, you may be able to get that domain name transferred to you. You can start either a quick and inexpensive international arbitration (called an ICANN proceeding) or a federal lawsuit under a section of the U.S. trademark law (called an ACPA proceeding) which, although slower and more expensive, also can result in statutory damages of between \$1,000 and \$100,000.

What is a Copyright?

A copyright seeks to promote literary and artistic creativity by protecting, for a limited time, what the U.S. Constitution broadly calls the “writings” of “authors.” Copyrightable works include:

- literary, musical and dramatic works;
- pantomimes and choreographic works;
- pictorial, graphic and sculptural works (including the nonutilitarian design features of useful articles);
- motion pictures and other audiovisual works;
- sound recordings;
- computer programs;
- certain architectural works; and
- compilations of works and derivative works.

Copyright only protects particular expressions of ideas, not the ideas themselves. And a protectible work must be “original,” i.e., not copied from another source (although two separately protectible works theoretically could be identical by coincidence). The work also must not be so elementary that it lacks sufficient creativity to be copyrightable.

Copyright owner’s rights.

The creator basically has the exclusive rights to reproduce the work, to distribute the reproductions, to display and perform the work publicly, to make derivative works, and to authorize others to do any of these things. The creator of certain works of fine art also may have rights to control their attribution or modification. The performance right in a sound recording is limited to digital transmissions, such as webcasting, with lower royalty rates for small webcasters. However, you cannot lease or rent a phonograph record or computer program for commercial advantage without the consent of the copyright owner.

How copyright is obtained.

The moment you have created and fixed a copyrightable work in a tangible form, such as by writing it down or recording it on tape, it automatically enjoys copyright protection whether or not it has been published or registered. There is no state copyright protection, although states still can redress violations of rights outside the scope of copyright, such as breaches of contracts, acts of unfair competition or defamations. Unfixed works, such as extemporaneous speeches or unrecorded live performances, may be protected by state law because they are not covered by the federal statute.

Notice of claim to copyright.

No copyright notice is required or even prescribed for an unpublished work. However, you may affix a statutory copyright notice to all publicly distributed copies of a work in a manner and location giving reasonable notice. The copyright notice consists of all three of the following elements:

- the symbol ©, or the word “Copyright,” or the abbreviation “Copr.” (except that for sound recordings the symbol ® is used);
- the year of first publication (which may be omitted on greeting cards, postcards, stationery, jewelry, dolls, toys, and useful articles); and
- the name of the owner of copyright, or a recognizable abbreviation of the name, or a generally known alternative designation of the owner.

On copies distributed before 1978, an omission of the notice, or an error in it, could have thrown the work into the public domain. A change in the law in 1978 made it possible to cure the defect on copies distributed on or after that date. And on works created on or after March 1, 1989, a copyright notice is no longer mandatory. However, you should use a copyright notice anyway because an innocent infringer, relying on the absence of notice, is not liable for actual or statutory damages before receiving actual notice of the copyright. Furthermore, a court may even grant the infringer the right to continue the infringing activity provided it pays a reasonable license fee to the copyright owner.

Any person who uses or removes a copyright notice with fraudulent intent is subject to a fine.

Library of Congress deposit.

Within 3 months after your work is first published in the United States, you are required to deposit in the Copyright Office two complete copies of the best edition of the work for the use or disposition of the Library of Congress. Failure to make this deposit does not invalidate the copyright, but if the Register of Copyrights makes a written demand for the deposit, failure to make the deposit within 3 months after this demand can result in a fine plus other penalties.

Copyright Registration.

You can register the copyright in any published or unpublished work at any time during the period of copyright by depositing in the Copyright Office two complete copies of the best edition of the work (one is enough in some cases) together with an application and a small fee. The copies

accompanying your application satisfy the Library of Congress deposit requirement.

Failure to register the copyright does not invalidate it, but prompt registration is a good idea because:

- It is a prerequisite to suing an infringer (except for works originating in a Berne Convention state other than the U.S.);
- You cannot recover statutory damages or attorney's fees for infringement of a published or unpublished work commenced before its registration unless you registered the copyright within 3 months after first publication of the work;
- A certificate of a copyright registered before or within 5 years after first publication is prima facie evidence of the validity of the copyright and the facts stated in the certificate;
- You can record the certificate with the U.S. Customs Service to protect against the importation of infringing works; and
- Registration is the best way to preserve the necessary copyright information about the work.

How long a copyright lasts.

This is a complex area because the term of copyright largely depends upon when the work was first published and whether or not the copyright was federally registered or renewed. Copyrights secured from 1964 through 1977 are deemed automatically renewed for a total of 95 years. The general rule for a work created on or after January 1, 1978 is that the copyright lasts for the author's (or surviving joint author's) lifetime plus 70 years after the author's death. But the copyright in a "work made for hire," or in an anonymous or pseudonymous work, lasts for 95 years from publication or 120 years from creation, whichever is shorter. Libraries and archives may reproduce, distribute, display or perform in facsimile or digital form copies or phonorecords of works for purposes of preservation, scholarship or research during the last 20 years of the copyright if reasonable investigation shows that the work is not the subject of normal commercial exploitation and cannot be obtained at a reasonable price. And some works first published abroad may have their U.S. copyrights, which were forfeited for failure to comply with formalities, reinstated in accordance with the GATT Agreement.

Who owns a copyright.

The individual or joint authors of a work initially own the copyright. But the employer or party commissioning a work automatically is deemed to be the "author" of a "work made for hire" if either:

- the work was prepared by an employee within the scope of employment; or

- the work was specially ordered or commissioned, and is one of nine specific types of works, and most importantly, is expressly agreed to be a "work made for hire" in a written instrument signed by both parties.

A copyright is divisible, so the recipient of any exclusive grant or license of rights becomes the owner of the copyright for those rights. All transfers must be in writing. Although it is not mandatory to record an instrument of transfer in the Copyright Office, recording it gives constructive notice of the transfer to possible subsequent transferees of the same rights.

Under various circumstances, the author, or specified heirs after the author's death, can terminate exclusive and non-exclusive transfers or licenses of any right in any work other than a "work made for hire," and rights in then existing derivative works may be affected by the termination.

What constitutes copyright infringement.

Copyright infringement generally is the unauthorized use or copying of the work. Also, the law provides that those who facilitate or profit from the infringing conduct of another may be liable as vicarious or contributory infringers, as was the Napster service (which facilitated infringing conduct by its users). It usually is difficult to prove copying, so the copyright owner normally tries to prove that the alleged infringer had "access" to the work and that the two works have "substantial similarity" from the viewpoint of an ordinary observer, after which the burden of proving independent creation shifts to the alleged infringer.

The unauthorized rental of a phonorecord or computer program for commercial advantage, and the unauthorized importation of a copy or phonorecord, also constitute infringement even if the imported reproduction was lawfully made abroad.

Some of the many specified activities not considered copyright infringements by the federal law include:

- the use of the basic idea expressed in the work;
- the independent creation of an identical work without copying;
- the sale or limited public display of a work by the owner of the physical copy or phonorecord;
- "fair use" of the work for purposes such as criticism, comment, news reporting, teaching, scholarship or research;
- use under one of the "compulsory licenses;"
- transitory digital communications by an online service provider;
- certain distance education transmissions;
- making a copy of a computer program solely for

purposes of maintaining or repairing a computer containing it; and

- radio or television performances by certain retailers and restaurants.

Remedies for copyright infringement.

The federal law makes willful copyright infringement for profit a crime, the penalties for which depend on both the number of copies reproduced or distributed during a given period of time, and whether it is a first or subsequent offense.

Criminal penalties range from a fine of not more than \$25,000, or imprisonment not exceeding 1 year, or both, for first offenses infringing any type of work; and up to \$250,000 for individuals and \$500,000 for organizations,



or 10 years, or both, for a second or subsequent offense of certain types. In addition, a court may order seizure, forfeiture and destruction or other disposition of all infringing reproductions and all equipment used in their manufacture. Additional penalties apply to trafficking in counterfeit record, film, and computer program labels and documentation. And fines and imprisonment can be imposed for willful copyright infringement by electronic means, such as by putting someone else's work on the Internet without permission, even if it is not done for profit.

The following civil remedies are also available to the holder of any exclusive rights in the copyrighted work under the federal law:

- an injunction against future infringement;
- impounding and destruction or other disposition of all infringing reproductions and the articles used to make them;
- the actual damages suffered by the copyright owner;
- any additional profits of the infringer;
- instead of actual damages and profits, at the copyright owner's election, statutory damages for all

infringements of any one work from \$750 to \$30,000 (subject to reduction to \$200 in some instances, or to increase to \$150,000 for willful infringement);

- full costs including a reasonable attorney's fee; and
- a civil fine imposed by Customs against the importers of counterfeit goods.

Trafficking in "bootleg" recordings or videos of live musical performances is subject to the same civil and criminal infringement remedies.

International copyright protection.

First publication anywhere in the world of a literary or artistic work may affect its copyright status elsewhere. So international treaties are particularly important in the copyright field. The U.S. has copyright relations with approximately 160 countries, about 130 of which (including the U.S.) are members of the Berne Convention which provides for copyright protection meeting certain minimum standards without formalities.

Many commercially important countries (including the U.S.) have ratified the Universal Copyright Convention which requires foreign works to have the same copyright protection as domestic works. Berne Convention protection has no formal requirements, but in 20 countries which are members of the UCC but are not members of Berne, a published work must bear a copyright notice consisting of ©, the name of the copyright proprietor and the year date of first publication, in order to be considered to have complied automatically with any local formal requirements in each other UCC member country.

A multilateral treaty against the piracy of sound recordings (ratified by the U.S.) is similar to the UCC, except that the prescribed copyright notice includes a ®. The U.S. also is a member of the Buenos Aires Convention which requires use of a notice such as "All Rights Reserved."

WIPO Implementation.

The U.S. has implemented international copyright treaties sponsored by the World Intellectual Property Organization (a) prohibiting (starting October 28, 2000, subject to specified exemptions) the direct or indirect circumvention of technological measures to control access to a copyrighted work, and (b) prohibiting (starting October 28, 2000) the knowing provision of copyright management information that is false, the intentional removal or alteration of such information, or the distribution, importation or public performance of works knowing that copyright management information has been removed or altered.

Criminal penalties, for proceedings commenced within 5 years from the offense, range from a fine of not more than \$500,000, or imprisonment not exceeding 5 years, or

both, for the first offense; and up to \$1,000,000, or 10 years, or both, for any subsequent offense. The civil remedies are substantially the same as those for copyright infringement, except that the statutory damages range from \$200 to \$2,500 for each act of technology circumvention, and from \$2,500 to \$25,000 for each copyright management information violation, subject to trebling for repeated acts or violations committed within 3 years after a final judgement.

Semiconductor chip protection.

A separate federal law gives the owner of a mask work, that is original when considered as a whole and is not commonplace, the exclusive rights to reproduce it and to import and distribute chips embodying it. This protection starts when you register the mask work rights in the Copyright Office or you first commercially exploit the mask work anywhere, whichever is earlier. It continues for 10 years, but only if you make the mandatory registration within 2 years of the first commercial exploitation.

You may use a nonmandatory notice of protection consisting of:

- the words “mask work,” or the symbol *M* (M between asterisks), or the symbol ®; and
- the name of the owner or a recognized or generally known abbreviation.

There are no criminal penalties for infringement. The civil remedies are substantially the same as those for copyright infringement, except that maximum statutory damages are \$250,000.

This law specifically immunizes reverse engineering, disposition or use of authorized chips, and innocent infringement.

Vessel hull design protection.

In the first attempt by the U.S. to protect the industrial design of a useful article, a separate federal law gives the owner of a boat hull design, that provides a distinguishable variation over prior work pertaining to a similar article which is more than merely trivial and has not been copied from another source, the exclusive rights to make, have made or import, for sale or use in trade, and to sell or distribute for sale in or use in trade, any useful article embodying that design. This protection starts upon the date of publication of your application for registration in the Copyright Office or the date the design is first made public, whichever is earlier. It continues for 10 years, but only if you make the mandatory registration within 2 years after the date the design is first made public.

You may use the non-mandatory notice of protection on the boat hull consisting of:

- the words “Protected Design,” or the abbreviation “Prot’d Des.,” or the symbol *D* (D between asterisks) or the letter “D” within a circle;
- the year in which protection began; and
- the name of the owner, an abbreviation by which the name can be recognized, or a generally accepted alternative designation of the owner.

There are no criminal penalties for infringement, although the importation restrictions will be enforced by the U.S. Customs Service and the U.S. Postal Service. The civil remedies are substantially the same as those for copyright infringement. The issuance of a design patent would terminate this new form of protection for the design.

Trafficking in counterfeit or illicit labels.

A separate federal law makes it a crime knowingly to traffic in either (a) a counterfeit or illicit label designed to be affixed to, enclose or accompany a phonorecord of a copyrighted sound recording, a copy of a copyrighted computer program, a copyrighted motion picture or other audiovisual work, a literary work, a pictorial, graphic or sculptural work, a work of visual art, or copyrighted documentation or packaging for them; or (b) counterfeit documentation or packaging that is copyrighted.

Criminal penalties are a fine of up to \$250,000, or imprisonment not exceeding 5 years, or both. In addition, a court may order forfeiture and destruction or other disposition of the labels, the articles to which they relate, and any devices used to make the labels.

Any copyright owner injured or threatened with injury may bring a federal civil action within 3 years of discovering the violation for the following civil remedies:

- One or more temporary or permanent injunctions;
- impoundment of any article that the court has reasonable ground to believe was involved in the violation;
- reasonable attorneys fees and costs;
- actual damages calculated by multiplying the retail value of the articles to which the labels, documentation or packaging relate by the number of those articles;
- any additional profits of the violator;
- instead of actual damages and profits, at the injured party’s election, statutory damages for each violation from \$2,500 to \$25,000; and
- up to three times the damages, in the court’s discretion, for a subsequent violation within 3 years of a final judgment for a prior violation.

What is a Patent?

A patent is granted only by the federal government. It lets the patentee exclude others from making, using, offering for sale or selling an invention within the U.S. or importing it into the U.S. It does not carry the affirmative right to make, use, sell or offer an item covered by the patent because one or more other patents may cover aspects of the same item.

You can obtain a utility patent (also called a functional or mechanical patent) for the following statutory classes of new and useful inventions:

- processes (chemical, mechanical or electrical procedures, such as a method for refining petroleum; or a business method of processing data or making calculations, and any technique used in athletics, instruction or personal skills, and computer-assisted implementations of those methods or techniques);
- machines (mechanisms with moving parts, such as a motor);
- articles of manufacture (man-made products, such as a hand tool); and
- compositions of matter (chemical compounds, combinations or mixtures, such as a plastic).

In addition, you can obtain a **design patent** for a new original and ornamental design for an article of manufacture, and a **plant patent** for a new variety of seed or plant or any of its parts.

Whether an invention is made by a flash of genius or painstaking research, to be patentable it also must meet all of the following hard-to-satisfy criteria:

- “novelty” in that it was neither previously known to others (except for confidential information known to co-researchers under a joint research agreement), nor in public use in the U.S., nor patented or described in a printed publication anywhere, in each case more than 1 year before the U.S. application’s filing date;
- “unobviousness” to a person having ordinary skill in the relevant art; and
- “utility” in that it has a useful purpose, actually works, and is not frivolous or immoral (although working models generally are no longer required to provide this attribute, except for inventions claimed to be perpetual motion devices).

Unpatented trade secrets.

Federal and state law protects inventions and know-how that have been kept secret against unauthorized use or

disclosure by anyone who is under an obligation of confidentiality to the owner. But this protection requires you to take measures to maintain the information’s secrecy. Moreover, it does not prevent independent development or apply to parties learning the information without any confidentiality obligation.

Patent application procedure.

Since a patent application is not made public until a patent is issued or the application is published (usually 18 months after the earliest filing date), you do not destroy trade secret rights merely by filing a patent application. And unless a patentable invention can be kept secret for many years (like the Coca-Cola soft drink formula), it is desirable to file a patent application without undue delay because a patent:

- protects against even innocent infringements, not just infringements by those breaching a confidentiality obligation to the owner;
- is the only way to protect an invention after it is no longer secret; and
- is barred if, among other things, more than one year before the filing date of the application, (a) the invention was described in a patent application published in English, or described in a printed publication, anywhere in the world, (b) the invention was in public use or on sale in the U.S., or (c) the inventor filed a foreign application for a patent which was granted before the filing date of the U.S. application.

A preliminary patentability search usually is indispensable in order to find out if the invention is novel. It also aids the registered patent attorney or agent in properly drafting the patent application, especially since any person at any time on a confidential basis may cause pertinent prior art to be made part of the official file of the patent.

You can get a quick filing date using an abbreviated provisional application that describes the invention sufficiently to enable someone to practice it and that discloses the best mode for the invention’s use. A complete non-provisional application, with the priority of the provisional application, must be filed within the following year setting forth the full patent claims.

The government thoroughly examines the non-provisional application for patentability. Any person may file an opposition within 9 months after the patent’s issuance, and either the patent owner or any other person may seek re-examination at any time to raise a substantial

new question of patentability. It normally takes several years before the patent is issued, and may take even longer if an interference is declared with either another pending application or an expired patent even though the interference may be decided by arbitration.

As an alternative, you can have a “statutory invention registration” published without examination. This gives limited rights to applicants such as a federal government agencies that merely wish to establish defensive rights to an invention.

Notice of patent rights.

When you have filed a patent application, you may use the informal legend “patent applied for” or “patent pending” on articles or processes and in advertisements for them.

After a patent has been issued, you may use the following patent notice: the word “patent” or “pat.” and the number of the patent. This notice is not mandatory, but it may be necessary to get damages from an infringer.

On the other hand, use of an improper patent notice is punishable by a fine.

How long patent rights last.

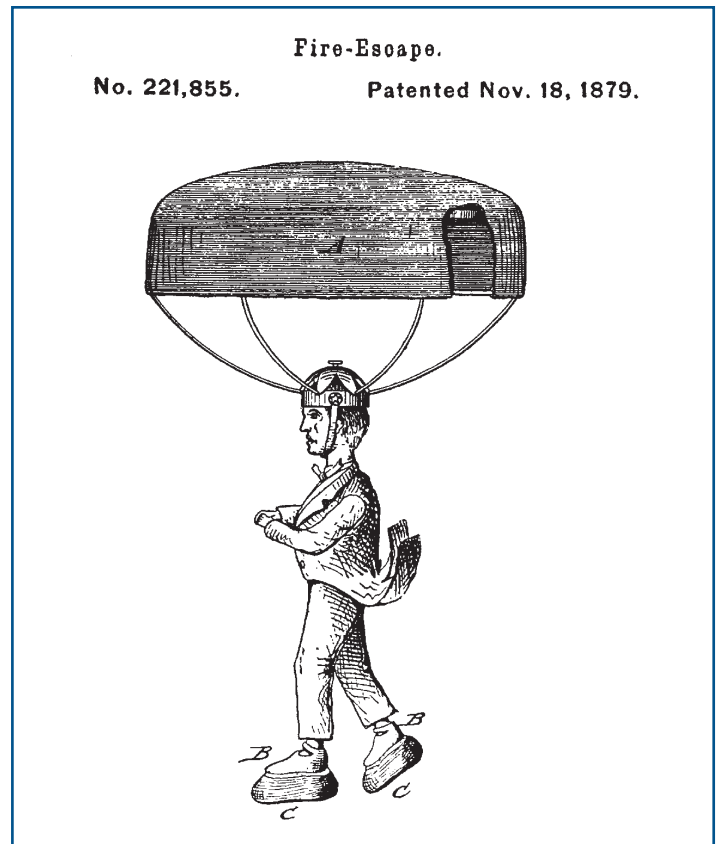
A utility patent or plant patent generally lasts 20 years from the date of filing the patent application. If priority of an earlier application is claimed, the 20-year term is measured from the date of the earlier application. All patents in force on June 8, 1995, or issued on applications filed before that date, automatically have a term that is the greater of 20 years from filing or 17 years from grant. The term can expire earlier if you do not pay specified maintenance fees 3½ years, 7½ years and 11½ years after the grant (or at least within the 6-month grace period). You can get the term extended for up to five years for certain patents if issuance is delayed for various reasons, such as delayed action by the Patent and Trademark Office, interferences, secrecy orders, successful appeals or pre-market regulatory review.

A design patent lasts 14 years from the date of issuance. You cannot renew a patent, and since the invention is publicly disclosed when the patent is issued, anyone can make, use, sell or offer in the U.S. devices or processes embodying the formerly patented invention after the patent has expired or been declared invalid.

Who owns a patent.

If you are the first to conceive a patentable invention, you normally own it if you work with reasonable diligence to reduce it to practice by making a working device embodying the invention or by filing a U.S. patent application.

You should evidence conception by making a “disclosure record,” which may be a simple written description and sketch of the invention, dated and signed by the



inventor and by a witness capable of understanding the invention.

Under normal circumstances, only the actual individual inventor can apply for a patent, and all joint individual inventors must sign the application or the resulting patent will be invalid, although there is a procedure for correcting errors arising without any deceptive intention.

You can record in the Patent and Trademark Office a written assignment of the entire invention or a part interest in it either at the time you file the patent application or anytime thereafter. Agreements can require the assignment of future inventions and patents.

Small businesses and nonprofit organizations can elect to own inventions made under government grants, and Federal agencies may grant exclusive licenses to promote investment in federally owned inventions, but the government retains a non-exclusive royalty-free license and gives U.S. industry a preference in the use of such inventions. All official patent fees are reduced by half for independent individual inventors, small businesses and nonprofit organizations.

What constitutes a patent infringement.

If a patent is valid and you have not misused it or engaged in inequitable or unlawful conduct with respect

to it, the patent protects against the unauthorized manufacture, use, sale or offer in the U.S. of all devices or processes (except for pure medical or surgical procedures) embodying the invention or of components intended for assembly abroad into such devices, whether they were copied from authorized devices or resulted from an independent act of invention. It also protects against the importation, use or sale in the U.S. of a product made from a patented process without authorization, although there are numerous limitations to protect innocent infringers. But a prior use defense permits you to continue to use a software-driven business method if in good faith you actually reduced it to practice at least one year before the effective filing date of someone else's patent application for the same method and if you commercially used it before that date.

Remedies for trade secret or patent infringement.

The federal law makes it a crime to steal trade secrets. Criminal penalties for economic espionage to benefit a foreign entity are a fine of not more than \$500,000 for individuals and \$10,000,000 for organizations, or imprisonment not exceeding 15 years, or both; and for private trade secret theft, a fine of up to \$500,000 for individuals and \$5,000,000 for organizations, or 10 years, or both. In addition, a court may order seizure, forfeiture and disposition of any property constituting, used in or derived from the violation.

There are no criminal penalties for patent infringement. The following civil remedies are available under the federal law:

- an injunction against future infringement; and
- compensatory damages, in no event less than a reasonable royalty, which may be trebled (and additionally for infringing a design patent, the infringer's profits, but not less than \$250).

However, you can recover damages only if either the infringer was notified of the infringement and continued to infringe, or the patented article bore a patent notice.

International patent protection.

You can patent inventions only on a country-by-country basis, although a centralized filing procedure is available under the Patent Cooperation Treaty or through the European Patent Convention. This can be very expensive, especially since the granted centralized patent must then be filed in each individual country in its official language. Many foreign countries charge patent maintenance taxes that increase annually to high levels and require either the local working of a patent or the compulsory licensing of it.

You have one year from the public disclosure of the invention in which to file a U.S. patent application. But if

you intend to seek patent protection in other countries, it is essential to file in the U.S. before public disclosure. Under U.S. law, you cannot file a foreign patent application until 6 months after the filing date of your U.S. patent application unless you have obtained a license for foreign filing from the Commissioner of Patent and Trademarks, who can refuse the license and order the invention to be kept secret for national security reasons.

A U.S. patent owner may start an International Trade Commission expedited proceeding to exclude infringing products from the U.S. if a domestic industry exists or is being established.

Conclusion

Overlap.

Although it is quite rare for a single article to qualify for all three types of protection — trademark, copyright and patent — it is not unusual for an article, or various aspects of it, to qualify for two types of protection. For example, the distinctive trade dress on top of a candy box might be copyrighted and also might function as a trademark identifying the manufacturer. A computer program might be copyrighted and patented at the same time. But most often, you can get only one type of protection or else you must choose between inconsistent types of available protection. For instance, it might be inconsistent to place an unexplained statutory copyright notice (applicable only to published works) on a copy of an unpublished secret computer program.

Choosing protection.

In choosing protection:

- decide which types of protection might apply to the item;
- consider whether they would be mutually incompatible;
- weigh the relative scopes of protection (trademarks and patents give broader protection than copyrights);
- consider the respective durations of protection (trademarks and copyrights are effective immediately and last a long time whereas patents are effective only after issuance and for a shorter time); and
- weigh the comparative costs of protection against the practical infringement dangers (trademark and copyright protection is relatively inexpensive to obtain as compared with patent protection).

Then, choose the best protection for the specific situation.

Necessity of seeking rights.

Unless you take the appropriate steps to patent an article or process, or to maintain trade secret rights to it, or it qualifies for statutory copyright protection, no protection may be available against even an exact copy of that article or process. Your only possible remedy may be to assert unfair competition rights to prevent consumer confusion about the source of the copied article or process.

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U.S. Patent Nos:

4,026,016	4,492,024	4,621,424	5,063,667
4,168,571	4,498,235	4,624,051	5,113,585
4,170,821	4,551,916	4,742,909	0090,050
4,270,268	4,573,266	4,807,401	0006,216
4,379,219	4,586,255	4,916,817	0012,568
			Other Pat. Pend.

0 47400 11548 4

Uncommon packaging which bears notices of patent, trademark and copyright protection.

Summary Table

	Trademarks	Copyrights	Patents
Nature	Commercial identifications of source such as words, designs, slogans, symbols, trade dress.	Original literary and artistic expressions such as books, paintings, music, records, plays, movies, software.	New and useful inventions and configurations of useful articles.
Scope	Protects against creating a likelihood of confusion; or diluting a famous mark.	Protects against unauthorized use or copying.	Excludes others from making, using, offering for sale or selling the invention in the U.S. or by importation into the U.S.
Purpose	Protects owners and public from unfair competition.	Encourages and rewards creative expression.	Encourages and rewards innovation.
How to Obtain Rights	Use mark in commerce or apply for federal registration.	Create work and fix it in tangible form. Registration confirms rights.	Apply for federal grant.
Principal Advantages of Registration	Nationwide priority rights; possibly conclusive evidence of validity and ownership; U.S. Customs recordation; increased anticounterfeiting remedies.	Statutory damages and attorney's fees; prima facie evidence of validity; U.S. Customs recordation.	Protection for non-secret inventions.
Basis for Registration	(1) Bona fide intention to use in commerce followed by actual use; (2) Non-U.S. owner's country of origin registration or application filed within 6 months prior to U.S. application, or extension to the U.S. of international registration, plus bona fide intention to use in commerce; or (3) Actual use in commerce.	Originality.	Novelty, unobviousness, utility.
Notice Requirements	Optional. "TM" or "SM" if unregistered; "®" or "Reg. U.S. Pat. & Tm. Off." if registered.	Optional after March 1, 1989. © or "Copyright" with year of first publication and name of owner.	Optional. "Patent applied for" or "Pat. Pending" after application; "Patent" or "Pat." plus registration number after grant.
Term of Rights	As long as used; registrations must be maintained by filing use declaration before each 6th and 10th anniversary; renewal required every 10 years.	Creations after January 1, 1978: author's lifetime plus 70 years, or if anonymous or work made for hire, earlier of 95 years from publication or 120 years from creation.	20 years from filing date (or sometimes 17 years from grant) for utility or plant patents, subject to periodic maintenance fees; 14 years from registration for design patents.
Infringement Prerequisites	Registration optional.	Registration required for U.S. nationals; optional for foreign nationals.	Issued patent required.
Infringement Standard	Likelihood of confusion, mistake or deception as to source or sponsorship; or dilution by blurring or tarnishment.	Unauthorized use or copying (access plus substantial similarity).	Unauthorized manufacture, use, sale, or offer for sale of devices or processes embodying the invention.
International Protection	(1) Individual countries; (2) Community Trade Mark registration; or (3) Madrid Protocol centralized filing.	Usually protected without registration through international treaties.	Usually granted on a country-by-country basis with centralized filing available under the Patent Cooperation Treaty or European Patent Convention.

This summary is highly simplified and should only be used for a general comparison. • 2005 Cowan, Liebowitz & Latman, P.C.

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