

INTELLECTUAL PROPERTY LAW

Presented by:
David P. Miranda, Esq.

5 Columbia Circle
Albany, New York 12203
518-452-5600
www.hrfmlaw.com



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Intellectual Property

- Copyrights
- Trademarks
- Trade Secrets
- Patents



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Copyright

What are the Requirements?

- Original work of Authorship
- Fixed in a tangible medium of expression (paper or recorded)
- Expression is protected, not an idea or fact

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Copyright

How Long is it Protected?

- Life of author + 70 years
- 95 years from publication (work for hire)

Who owns it and When?

- Right from the time the work is created
- Immediately becomes property of the author who created the work
- Works "Made for Hire"
Employer is considered author

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Copyright

What are the Owner's Rights?

- Reproduce the work
- Prepare derivative works
- Distribute copies
- Perform, display

Best Practice

- Add copyright Notice to all works that are created
- (Date of creation) (Author's name)



PRE-LITIGATION

Cease and Desist Letter and Declaratory Judgment Action

- Sending a cease and desist letter to accused infringer
 - Demands to stop, compensation, offer license, etc
 - Response may be to settle
- Caveat: accused infringer files a declaratory judgment action against copyright owner in local jurisdiction

LITIGATION

Federal Courts have exclusive jurisdiction. See 28 U.S.C. § 1338(a)

Copyright Infringement

- Unauthorized exercise of one of exclusive rights of copyright holder under Section 106
 - Reproduce copyrighted works
 - Prepare derivative works
 - Perform the work publicly
 - Display the work publicly

COPYRIGHT REGISTRATION

- Valid copyright registration as a precondition.
See 17 U.S.C. § 411
- Application approach vs. registration approach
- Second Circuit Rule: valid registration or refused registration

LITIGATION

- An action for a copyright infringement must be brought within three (3) years after the claim has accrued. 17 U.S.C. § 507 (b)
- The elements of a copyright infringement claim are:
 - 1) Ownership of a valid copyright; and
 - 2) Copying of constituent elements of the work that are original
- A certificate of registration obtained within five (5) years after first publication of the work is *prima facie* evidence of the valid ownership of a copyright

- Copying can be proven as either:

- 1) Direct proof, which is rare; or
- 2) Indirect or circumstantial proof, which is more likely. This requires proving (1) access and (2) similarities between the two works that provide sufficient proof to support an inference of copying

- Access
 - Proof of access requires an opportunity to view or to copy plaintiff's work.
 - To prove access, a plaintiff must show a reasonable possibility, that an alleged infringer had the chance to view the protected work
- Substantial Similarity
 - Application of the "ordinary observer test."
 - Involves asking whether an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work

VICARIOUS LIABILITY

- To impose vicarious liability on a defendant for copyright infringement, a plaintiff must establish:
 - (1) requisite control over direct infringer, and
 - (2) derivation of direct financial benefit from direct infringement

Range Rd. Music, Inc. v. E. Coast Foods, Inc., 668 F.3d 1148 (9th Cir.2012)

Range Rd. Music, Inc. v. East Coast Foods, Inc.
(9th Cir. 2012)

- Upheld infringement liability against restaurant that allowed live renditions of jazz songs and played jazz records in attached lounge without appropriate license
- Defendants' exercise of control over direct infringement:
 - Shared liquor license
 - Managerial authority
 - Power to hire and fire employees
 - Power over musical acts
- Defendant derived financial benefits from musical performances

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REMEDIES

- Copyright owner may seek:
 - Injunctive relief, seek impoundment and disposition of infringing articles, damages and profits of the infringer, and/or costs and attorneys' fees - See 17 U.S.C. §§ 502-505
- Infringer is liable for either:
 - (1) actual damages and any additional profits, or
 - (2) statutory damages

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STATUTORY DAMAGES

• Pursuant to Section 504 of the Copyright Act, award of statutory damages ranges from \$750 to \$30,000

- Willful infringement increases the amount up to \$150,000
- Innocent infringement may result in a reduction of statutory damages to \$200

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Capitol Records, Inc. v. Thomas-Rasset (8th Cir. Sept. 11, 2012)

- Defendant sought the court to consider the “guideposts” announced by Supreme Court for review of punitive damages award under the Due Process Clause
 - Eight Circuit explained that “[t]he Supreme Court never has held that the punitive damages guideposts are applicable in the context of statutory damages”
 - Due Process Clause prohibits excessive punitive damages based on notions of fairness
 - This concern about fair notice does not apply to statutory damages, because those damages are identified and constrained by the authorizing statute
 - Such a broad range of damages “allows courts and juries to calibrate the award based on the nature of the violation”

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FAIR USE

- In determining whether the use made of a work in any particular case is a fair use, the factors to be considered shall include:
 - 1) The purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
 - 2) The nature of the copyrighted work;
 - 3) The amount and substantiality of the portion used in relation to the copyrighted work as a whole;
 - 4) The effect of the use upon the potential market for or value of the copyrighted work

17 U.S.C. §107.

- Examples of fair use: for purposes of criticism, comment, news reporting, teaching, scholarship, or research
- Presumption that unauthorized copying has occurred, but the focus is on whether or not the use was fair

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FIRST SALE DOCTRINE

•First Sale Doctrine: permits owners of a lawfully purchased copy of copyrighted work to resell it without limitations imposed by copyright holder

See 17 U.S.C. §109

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Kirtsaeng v. John Wiley & Sons, Inc.

- Question of first impression: whether the first sale doctrine applies to a work that was produced outside of the US, legally acquired abroad, and then later imported and resold within US
- Kirtsaeng, a Thai national, lawfully purchased copies of textbooks in Thailand, imported to US and sold them on eBay
- Kirtsaeng found liable for willful copyright infringement and imposed damages of \$600,000 (\$75K for 8 works)

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Kirtsaeng v. John Wiley & Sons, Inc.



U.S. Supreme Court reverses, holding that the phrase “lawfully made under this Title” in Act refers to copies of a copyrighted work lawfully made abroad, not just copies that are made in territories in which the Copyright Act is law (as held by the Second Circuit).

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Trademarks

- Differentiates the source of a product or service; and
- Avoids consumer confusion and deception as to quality



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Evaluating the Strength of Trademarks

➤ Strongest.....Weakest

- Coined/Arbitrary Suggestive Descriptive Generic
- The more distinctive, the stronger the mark.
- Common, descriptive, surnames and geographic names offer less exclusivity.

Arbitrary/Coined



Apple Computer

Suggestive



Apple-a-Day
Vitamins

Descriptive



Cran-apple
Juice

Generic



Apple

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Generic = Unprotectible

- Convenient Food Mart
- Aspirin
- Supermarket

- Some famous marks risk becoming generic
 - Scotch Tape
 - Xerox
 - Advil
 - Nutrasweet
 - Google?

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Proper Usage of a Mark

- Marking as a trademark ®™ sm
- Exclusivity
- Do not use as a noun
 - Windsurf® Brand Sailboards
 - Band-Aid® Brand adhesive strips
 - Kleenex® Brand Tissues
 - Visa® Credit Card

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Trademark Registration Considerations

- Clearance search
- Federal Registration
 - Intent-to-Use
 - Actual use
- State Registration
- Proper marking and correct usage
 - TM
 - SM
 - ®
 - Labeling the product or the service

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Proper Maintenance of a Mark

- Use it on labels or ads for service
- Federal filing of a declaration between 5th and 6th anniversary date
- Renewal every 10 years
- If license use by others, reserve and maintain quality control provisions
- Police your mark against others likely to cause confusion
- Advertise to build secondary meaning

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Slogan Marks

- A slogan or any other combination of words is capable of trademark significance, if used in such a way as to identify and distinguish the seller's goods and services from others. Allstate Ins. Co. v. Allstate Inc., 307 F.Supp. 1161 (N.D.Tex. 1969)

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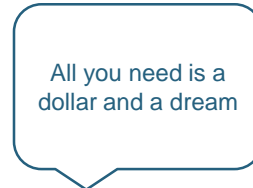
Examples of Slogan Marks



GEICO
U.S. Reg. 3,193,689



Nike, Inc.
U.S. Reg. 1,875,307



New York State
Division of the Lottery
U.S. Reg. 3,751,899



McDonald's Corp.
U.S. Reg. 2,978,887



Mars, Inc. U.S. Reg. 1,596,711

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Sound Marks

- A sound mark identifies and distinguishes a product or service through audio rather than visual means. TMEP §1202.15
- Sounds are protectable when they are arbitrary, unique or distinctive and create in the hearer's mind an association of the sound with a good or service. In re Vertex Grp. LLC, 89 USPQ2d 1694, 1700 (TTAB 2009); In re Gen. Electric Broad. Co., 199 USPQ 560, 563 (TTAB 1978)
- The fact that sounds and musical compositions are protected by the copyright laws is not incompatible with their also qualifying for protection as trademarks. Oliveira v. Frito-Lay, Inc., 251 F.3d 56, 61 (2d Cir. 2001)
- As with any designation alleged to be a mark, a sound cannot qualify as a mark if it is "functional"

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Examples of Sound Marks

- U.S. Registration No. 916,522 (July 13, 1971) 🔊
- U.S. Registration No. 1,395,550 (June 3, 1986) 🔊
- U.S. Registration No. 2,692,077 (March 4, 2003) 🔊
- U.S. Registration No. 3,411,881 (April 15, 2008) 🔊
- U.S. Registration No. 2,821,863 (March 16, 2004) 🔊
- U.S. Registration No. 2,442,140 (April 10, 2001) 🔊
- U.S. Registration No. 2450525 (May 15, 2001) 🔊
- U.S. Registration No. 2519203 (December 18, 2001) 🔊

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Color Marks

- In 1995, the Supreme Court held that a single color of a product is capable of being registered and protected as a trademark. Qualitex Co. v. Jacobson Prods. Co., 513 U.S. 159 (1995)
- Single color requires proof of secondary meaning. Wal-Mart Stores, Inc. v. Samara Brothers, Inc., 529 U.S. 205 (2000)

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Examples of Color Marks



Brown



Canary Yellow



Robin Egg Blue

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Trade Dress

➤ “...the total image and overall appearance” of a product, package, style of doing business etc. “as defined by its overall composition and design, including size, shape, color, texture, and graphics”

➤ The ability of the look of the product, package, service, smell, sound etc. to differentiate itself from others, thereby associating it with a single source



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Trade Dress in a Package



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Trademark Infringement

Likelihood of confusion is one of the elements a plaintiff must plead and prove to establish trademark infringement

Although no one factor is necessarily controlling, two key factors are the similarity between the marks and the proximity of the goods and/or services

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The Second Circuit, in *Polaroid Corp. v. Polaroid Elecs. Corp.*, set forth the following factors:

The strength of this mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant's good faith in adopting its own mark, the quality of defendant's product, and the sophistication of the buyers.

However, while a trial court considering the likelihood of confusion must evaluate the *Polaroid* factors, the Second Circuit has cautioned that the *Polaroid* factors are not always dispositive.

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Tiffany (NJ) Inc. v. eBay, Inc.
2008 WL 2755787 (S.D.N.Y. 2008)

The luxury goods retailer Tiffany sued eBay for contributory trademark infringement on the grounds that eBay facilitated and allowed counterfeit items to be sold on its website.

The court found there was no contributory infringement because the standard was not whether eBay could anticipate possible infringement or had generalized knowledge of infringement but eBay's actions once it had notice of possible infringement. The burden is with the trademark owner and does not depend on a standard of who could most efficiently bear the burden of policing. Since eBay took action once notified of possible infringement that was sufficient to avoid contributory infringement.

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***Christian Louboutin S.A. v. Yves
 Saint Laurent Am. Holdings, Inc.***
2012 WL 3832285 (2d Cir. Sept 5, 2012)

Distinctive red-soled shoe trademark is upheld for shoes with contrasting uppers.

Regarding the mark-at-issue, the court concluded that it had acquired secondary meaning "when used as a red outsole *contrasting* with the remainder of the shoe":



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PATENTS

Must be:

- Useful
- Novel/New
- Non-obvious (To one “Skilled in the Art” to try or combine)

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PATENTS

What can be Patented?

- Processes
- Articles of Manufacture
- Machines
- Compositions of Matter
- And Improvements to all

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What are your Patent Rights?

- The right to EXCLUDE others from *making, using or selling* an invention
- Limited Monopoly Granted by the Federal Government
- In exchange for *full* disclosure of the invention to the public
 - How Long Does a Patent Last?
- Utility Patent: 20 years from the Date of Filing
- Design Patent: 15 years from the Date of Issue

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What is an Invention?

CONCEPTION

+

REDUCTION TO PRACTICE

INVENTION



+



=



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Who is the Inventor?

Who IS? • “Conceives” the claimed invention

Who is NOT?

- Carries out experiments
- Assists inventor in reducing invention to practice
- Contributes obvious elements and improvements
- Suggests a desired result without corresponding idea/solution
- Evaluates invention
- One who identifies the problem but gives no solution

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What to Do When You Invent

- 1) Keep all materials/concepts confidential
- 2) Keep a contemporaneous notebook of ideas/sketches
- 3) Date & Sign all notes/sketches
- 4) If possible, have a witness countersign (learned witness)

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Two Types: Provisional vs. Non-Provisional Application

Provisional Application Process

- Quick & cheap
- Only a place holder (1 year) and establishes a priority date
- If you do NOTHING- Application Ceases to Exist

Non-Provisional Application Process

- Must disclose and describe the best mode contemplated by the inventor of carrying out the invention
 - How? – Specification (Technical): Background, Summary, Description of Drawings, and Detailed Description of Invention
- What defines the invention?
 - Claims: “Define the metes and bounds of the parcel of IP the inventor seeks to own”

The Patent Application Process

What type of Non-Provisional to file?

Utility vs. Design

- **Utility** – Protects how the invention works or is made
 - Multiple Claims
 - Functionality
 - Cost- \$8,000-\$15,000 to file
 - Damages – Reasonable Royalties/Lost Profits
 - 20 years from date of filing
- **Design** – Protects how it looks
 - Single claim (for “ornamental design”) with many figures
 - Cost = \$1,500-\$2,000
 - Cannot be Functional
 - Damages – Reasonable Royalty or Infringer’s Profits
 - 15 years from date of issue

Anatomy of a Patent

Parts of a Patent

- A. Abstract – A brief technical disclosure of the invention
- B. Specification – A written description that references drawings that explain the invention to enable a person skilled in the art to make or use the invention

This part includes several sections including: Drawing, Field of Invention, Background of Invention, Summary of Invention, Brief Description of Drawings and Detailed Description of the Invention (or Best Mode)
- C. Claims – The legal part (i.e. property right) of the patent that specifically points out the idea that is the invention. The claims are what the invention that is protected by the patent

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Association for Molecular Pathology v. Myriad Genetics, Inc. U.S. Supreme Court June 13, 2013 (No. 12-398)

Claims to sequences of DNA “isolated” from cells are not eligible for patent because they are “products of nature.” However, claims to synthetic sequences of DNA that are chemically distinct from sequences that exist naturally in cells are patent eligible. Specifically, cDNA—synthetic molecules of DNA whose sequence of nucleotides has portions missing when compared to endogenous genes—were held to be patent-eligible because no such molecules naturally exist.

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America Invents Act

Major Provisions

- Changed from “first to invent” to “first inventor to file” system
- Eliminated requirement for Inventor to execute application and provide a mechanism for substitute statement by assignee when inventor is unavailable or non-cooperative
- Removed failure to disclose Best Mode as basis for invalidation of a patent
- Created of “micro-entity” with 75 percent reduction in fees

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First Inventor to File System

- Brings U.S. law into conformity with the rest of the world – *Race to the Patent Office*
- First to file based on “effective filing date”
- Absolute novelty standard but still allows a one year grace period for certain publications made by or derived from inventors
- Eliminates interference procedures; introduces derivation proceeding

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Heslin Rothenberg Farley & Mesiti P.C.

David P. Miranda, Esq.

Intellectual Property Law
5 Columbia Circle
Albany, New York 12203

518-452-5600
dpm@hrfmlaw.com
www.hrfmlaw.com

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