

Greg Moore, Ropes + Gray: Intellectual Property Law

Should be integrated w/ business transactions.

Ex: Carter Hawley Hale. Owned Neiman Marcus. Want sell. General Cinema agreed to buy NM. Discovers NM depends on CHH IT systems.

Intel Property

It is property, from the mind. Can buy, sell, etc.

Basic species:

1. Patents
  2. Copyrights
  3. Trade secret
  4. Trademark - imp. to all companies
- } imp. to tech cos.

1. PATENTS grant from US govt, gives you right to stop other people from practicing what you claim in patent. Not protect you from everything out there, not affirmative. Has pieces:

a. abstract - 1 page

b. specification - what is problem, existing tech, <sup>your</sup> invention

c. claims

Specif. is for "enabling disclosure" - right for 20 years but have to disclose how to do it.

keep these broad - if sue, key here, try to disclose as little as possible

- get patent lawyer after invent, submit / file patent application. To pass patent must be:

a. New

b. useful

c. non-obvious to one skilled in art

- patents expensive but robust  
- inventive threshold is high

patents gen. assigned  
to owner... will list  
inventors

"statutory subject matter" — get patents machines,  
compositional matter, implements  
on these, but NOT on a raw idea.

However, can get one on business processes, methods.  
Amazon re click, Priceline reverse auction.

Patents: federal law

Patent-like rec...

## 2. Copyrights

do not protect the useful but how you  
express an idea. Your words + how put together, or  
music, film, photos, sculpture, arch plans,  
software.

Rights to: a) copy c) display publicly e) transmit  
b) distribute d) perform

- How get? Write something down.
- You can register a copyright by filling out 2 sided  
paper form (10-cops - wait). Send w/ work and \$20 to  
C. Office. You get registration.
- Can't sue to enforce copyright w/o registration
- Only 1 requirement for c: MUST BE ORIGINAL. not like  
novelty for patents. Shakespeare if I came up, I can get cop.

differs  
for  
patents

- Very cheap
- Novelty low
- Not protect ag.

Copyrights: 1. made by human being - life of author + 75 years  
2. work made for hire - 95 years, employee for  
employer. written agreement  
for ownership necessary  
for cos. to own software  
from contractors.

governed by federal statute

### 3. Trade secrets

- Can be an idea.
- creatures of state law. Something you know that others do not that gives you competitive advantage. Secret, competitive advantage.
- Publication destroys a trade secret. If you have to show took adequate steps to protect.
- If disclose to do so subject to confidentiality agreement.
- No novelty, just comp adv.
- Moderately expensive to protect
- customer rels. not a trade secret.

### 4. Trade marks

- Brand names, symbols, indicia, intend to signify origin of partic. good or service

- aka servicemarks too: legal, accounting, work etc.

- Can be a registered or unregistered ↗
- How get rights? Use openly. Once done have unregistered - use TM - reader a notice you think you have rights.
- Search - before you begin using, make sure someone else not using
- registered R - file app. w/ patent office, describe mark and goods and services using it with. If merely descriptive will not get registration.

- not relate to technology

- Section 365(m) of Bank. Code - protect licensees who cos. bankrupt. Treats a license like a lease. So 365(m) is for tech specifically I think.

Allows licensees whose licensor goes bankrupt to protect license for certain term.

Tech:

All things save trade secrets are territorial.

Trademarks - adjective not noun: Xerox brand copier. Kleenex tissue.

So...

- Derive value from make, sell products.
- Can also license. L is a contract, governed state law.
- Gives someone a right to use your intell'l property.
- Look at details of the "granting clause" to determine scope of use. License can be exclusive ("I won't grant any more or want use myself") or nonexclusive. Exclusive more \$\$\$.
- Need to know term (fixed, perpetual, renewable)
- protection
- Royalty - what + how pay to use my IP?
- Termination provisions

### Licenses

- Exclusive
- Nonexclusive
- Term
- Protection
- Royalty
- Termination provisions

Most IP antitrust issues arise w/licenses.

- We can also sell the IP, Alone or as sell company.
- Esp w/ tech, people are a key part of the asset. Confidentiality agreements.
  - do due diligence on the technology (how good is it?) (to get the value of the IP, needs specialized knowledge).

"Fair Use" for copyrights:

- 1.) nature of work
- 2.) Amount and nature copied
- 3.) Nature of use
- 4.) Effective - oops -  
effect on market - effect  
your use had on market

If have 2 of 4 of  
these in your favor,  
feel good. #4 very imp.

Mask work - semi conductors