**Intellectual property law is a set of related legal rules that are intended to protect the products of human ingenuity.**

That is intangible ideas, words, sounds, images. These are things that are built into our societal rules. Sometimes, most of the time they're statutory. Sometimes they're developed by courts.

What they are, is intended to protect things that are otherwise not easily protected, right.  These consist of intangible goods, these ideas, words, sounds, images.

They are very difficult to protect, absent some sort of legal rules. That is, it's very different than say your property that your house sits on, for example.

Where you can build a fence or you can take other steps to protect that property. An intangible asset, such as your ideas, words that you've created and written down, sounds that you have emitted, images you have created.

Those are not protectable, absent some sort of legal rule and that's what intellectual property law does. It is a set of rules that's intended to protect those things because they would otherwise not be especially protectable. So, the other thing to know, is that we will use throughout this course interchangeably IP and intellectual property law.

IP is just the shorthand, easier to say, most people in intellectual property law refer to it as IP, Intellectual Property.

There are several forms of intellectual property law. Each of those forms has its own unique characteristics, unique features, particular laws, and principles.

National and international laws give certain rights and protections to those who develop creative works to exclusively control intangible assets in the form of:

* Copyrights, Patents, Trademarks, Trade Secrets

Why should you learn about intellectual property?

So the first thing is that intellectual property rights are critical to our national industrial policy. We have gone from the industrial age where we built huge machines, factories. Things that came out of these factories were sort of the backbone the core of the economy. And now, we're in the information age.

We don't build as many things anymore and in fact, what we do is create new ideas, new technologies, new things, sure.

But those things are less dependent on manufacturing and tangible objects,

and much more based on the ideas and the intellectual content based within them.

And so for that reason, intellectual property rights because there are increasing component of what we are doing in the both the KZ, and increasingly the entire world. It is a critical thing to understand the policy surrounding our economy.

### Procedure for entering information and their changes into the State Register of Rights to Copyright Protected Object

In accordance with Article 9 of the [Law](http://adilet.zan.kz/kaz/docs/Z1800000161%22%20%5Ct%20%22_blank) of the Republic of Kazakhstan "On Copyright and Related Rights", copyright in a work of science, literature and art arises by virtue of the fact of its creation. For the creation and exercise of copyright, registration of the work, other special design of the work or compliance with any formalities are not required.

In this regard, the procedure for entering information into the State Register of Rights to Objects Protected by Copyright is not binding.

The Republican State Enterprise on the right of economic management "National Institute of Intellectual Property" (hereinafter - RSE "NIIP"), provides the service "Making information and their changes in the State Register of Rights to Objects Protected by Copyright".

Such works include:

* literary, scientific, dramatic, screenwriting;
* musical works with or without text and musical and dramatic works;
* works of choreography, pantomime, audiovisual works;
* works of architecture, urban planning, landscape gardening art;
* works of painting, sculpture, graphics, fine and applied art;
* photographic works and works obtained by methods similar to photography, as well as on maps, plans, sketches, illustrations and three-dimensional works related to geography, topography and other sciences;
* programs for an electronic computer or databases.

The author of the work or his representative by proxy through EDS authorizes on the web portal where he fills in the required fields (IIN, name of the work, creation date and type of object), forms a statement and attaches a copy of the work.

As a copy of the work, sketches, drawings, drawings or photographs may be attached to the application, and for programs for an electronic computer or databases, an abstract including the name of the program or database, last name, first name, middle name (if it is indicated in the document certifying identity) of the author, date of creation, field of application, purpose, functionality, source code (source text), main technical characteristics, programming language, type of implementing electronic computers.

In relation to works of religious content, the service recipient additionally submits an electronic copy of the positive conclusion of the religious expert examination.

In relation to a composite or derivative work, the service recipient shall additionally submit a copy of the copyright agreement concluded with the author (s) or copyright holder of the original work.

If the composite work uses works by other authors whose protection period has expired on the date the applicant submits the application, no copyright agreement is required. In case of expiration of the term of protection of the work on the basis of which the derivative work is created, the submission of the copyright agreement with the author of the main work is not required.

For entering information into the state register of rights to objects protected by copyright, a fee is charged in the amount established by order of the Director of RSE “NIIP” №02 of January 3, 2019 “On approving prices for services rendered by a state enterprise on the basis of economic management” National Institute of Intellectual Property "of the Ministry of Justice of the Republic of Kazakhstan" (as of July 29, 2019 is 6932.80 tenge).

The law provides for benefits when paying for a service (in the amount of 346.64 of the price established for entering information into the Register) provided that supporting documents are submitted confirming belonging to the following persons:

1) participants in the Great Patriotic War and persons equated to them;
2) to persons awarded orders and medals of the former USSR for selfless work and perfect military service in the rear during the Great Patriotic War;

3) persons who have worked (served) for at least six months from June 22, 1941 to May 9, 1945 and who were not awarded orders and medals of the former USSR for selfless work and perfect military service in the rear during the Great Patriotic War;
4) disabled people, as well as one of the parents of a disabled person since childhood;
5) the oralmans;
6) minors.

Information on rights to works serving (intended) for distinguishing goods (services) of some individuals or legal entities from similar goods (services) of other individuals or legal entities is not entered in the Register.

On the basis of the information entered into the Register, a certificate of information is issued, which is sent in electronic form to the personal account of the service recipient.

Cancellation of information from the Register and making changes are made at the request of the author, as well as on the basis of a court decision that has entered into legal force.

They even huge companies do an enormous amount of work surrounding IP rights, whether it be patents, copyrights, trademarks.

All of those things are right at the core of what they are doing.

For example, in a patent context, you have an area of law that covers things like chemicals and pharmaceuticals, electronics and biology and increasingly genetics.

And at the same time software and even now business and finance is being covered by patents and patents are being used more and more. What this is doing is putting an enormous amount of stress on the law of patents. On the way we think about patents, on the underlying theories of patents, because it used to be you would think of a patent. And a patent would be related to a particular product say a pharmaceutical drug or maybe a new type of machine or even just an electronic device would be related to that patent.

That's really not the way we think about patents anymore as they become spread out through the economy patents are both covering more things. And the products that we use everyday have more patentable inventions embedded within them.

Current iPhones have hundreds and hundreds of patentable inventions embedded within them. Everything that you're buying now, even something as simple as is a kitchen mixer for example has an enormous amount of patentable inventions. Your banking you're doing, all is related to patents. There are new algorithms that are evaluating people for your credit score or for your ability to buy and sell stocks.

All of those things are patentable and related to patents and patents are playing an increasing role. What this is doing is putting an enormous amount of stress on the patent law.

How can this law that was developed in the late 1700s keep up with the pace of technological change and even more importantly Economic change.

And so we're seeing lots of stress about that. Copyright, we're seeing very similar sorts of things. In the music and TV realm, it used to be that in order to see an audio visual work, a movie for example, you had to go to a movie theater, and to go a fairly limited set of movie theaters that were fairly, highly controlled by movie studios.

And then of course, we have the advent of broadcast television. Again, it was different, it changed the economy, it changed the way we thought about this type of work, but it was still fairly limited.

Then came things like the TiVo or the DVR box changes are the way that we interact with television. Again, copyright plays a huge role in how that all works out. And now of course, we're in the YouTube area was streaming video becoming the norm. All of this is, the way that copyright has helped shape the economy and vice-versa. Music has seen a very similar set of challenges, right? So the music of the big band era gave way to albums that people would produce and share. And now onto sort of streaming music, Apple Music, and even downloadable music. All of these things have changed the way we interact with music, and at each step of the way copyright has played an important role, and often an extremely controversial role.

Trademarks, one of the most important things that's been happening in trademarks, is the emergence of a global megabrand, right?

And so companies like Starbucks, Burger King, Coca-Cola, all of those have become unbelievably large primarily on the basis of their trademark, much more so than anything in particular that they are selling.

They're selling essentially a look and feel, they're selling an association with a particular lifestyle or a particular brand.

These global megabrands are changing the way that we think of trademarks, because the trademark is now becoming the primary asset rather than the way we used to think about it which is the thing that was being sold was the asset and trademark was sort of associated with it.

The other thing that's going on in trademarks that's causing a lot of controversy is that as trademarks gets stronger, as they emerge as more important assets, you're seeing trademarks becoming the products.

You're seeing branded cars that have for example, You're seeing a lot of crossover, you're seeing movies made apparently just to generate trademark merchandising. All of those things are changing again the way that we think about trademarks and the question is can this law keep up? And it's causing a great deal of controversy, debate and is a really interesting area to study.

Since the disintegration of the USSR, business has been rapidly developing in the Commonwealth of Independent States [CIS], one of the key countries of which is Kazakhstan. For many companies, Kazakhstan - bordering China on its North side and being a regional leader in natural resources and industry - is a gateway for business in other Central Asian Republics, such as Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

Kazakhstan is roughly equal in size to five states of France, and is a valuable potential key player in the world oil and gas markets. It is a major world source of coal, copper, iron ore, chromium, magnesium, lead, zinc, silver, and uranium and has notable reserves of gold, molybdenum, titanium, and others.Kazakhstan is a member of the Paris Convention, the Madrid Agreement, the Patent Cooperation Treaty, and others.

It has developed a system of IP rights protection, including the Patent Law and Law on Trademarks, while the Administrative Code and Criminal Code provide administrative and criminal liability for infringement of IP rights.While Kazakhstan legislation provides broad protection to intellectual property rights, particular areas remain underdeveloped and enforcement generally remains a problem.

Under Kazakhstan IP legislation, it is an exclusive right of an individual/company to reap the benefits of intellectual creative activities and means of individualization of a company, production of an individual/ company, works performed or services rendered thereby (including trade name, trademark, service mark, etc.).

Intellectual property forms two groups:

* results of intellectual creative activity, and
* means of individualization of civil turnover participants, goods, works or services.

Exclusive right to the results of intellectual property-related activities or means of individualization is a property right of its owner to use the object of intellectual property by all means and at his/her discretion. Other persons would be allowed to use exclusive rights only subject to the owner's consent.

In order to protect a trademark or a patent from infringements, the owner of such IP needs to ensure their appropriate registration in Kazakhstan. Failure to register IP rights may easily lead to violation of such rights.Foreign individuals or companies may apply for registration of intellectual property only through a registered patent attorney (patent agent).

Owner's consent is granted by either a license agreement or an assignment agreement. Pursuant to a license agreement, the owner enjoying exclusive rights to the results of intellectual creative activity or the means of individualization (licensor) will grant to another party (licensee) a right to temporarily use the relevant object of intellectual property. Authorized state bodies and IP owners take effective measures to protect IP rights in Kazakhstan.

The Intellectual Property Rights Committee of the Ministry of Justice of the Republic of Kazakhstan (the IPR Committee is the authorized state agency for intellectual property matters. The IPR Committee is responsible for registration of IP and implementation of state policy relating to protection of copyrights, inventions, utility models, industrial designs and other intellectual property items, issuing copyright, patent and trademarks certificates, and recognition of marks as well-known.

The National Institute of Intellectual Property (NIIP) accepts applications for the issue of patents for inventions, utility models, industrial designs, as well as for registration of trademarks and carrying out their expertise, maintains State IP Registers and arranges official publications.

IP rights also enjoy the protection of customs authorities, which maintain a Registrar of goods containing IP objects, and goods are included into such Registration upon application of IP owners.The term "violation of intellectual property rights" was clarified and is now defined as the illegal use of copyrights, inventions, utility models, industrial property objects, trademarks or appellations of origin, appropriation of copyright, etc.

Violators of IP rights are subject to civil, administrative or criminal liability, depending on the gravity and consequences of violation.Particularly, criminal liability is incurred for illegal use of a trademark, with the severest sanction being correctional labor for up to two years. Further illegal use of inventions, utility models, industrial designs, selection achievements or typologies of integrated microcircuits may cause incur punishment of up to five years imprisonment and confiscation of property.

On July 6, 2018 amendments to the Law of the Republic of Kazakhstan On Trademarks, Service Marks and Appellations of Origin (the “Law”) entered into force in Kazakhstan.

The amendments affect a wide range of issues, including powers of the Ministry of Justice of the Republic of Kazakhstan as an authorized body for the protection of intellectual property rights, powers of the National Intellectual Property Institute as an expert organization, the procedure for registration of trademarks, service marks and appellations of origin, the procedure for recognition of trademarks as well known, the procedure for the transfer of trademark rights, the procedure for challenging trademark registrations, the scope of protection of trademark rights, and the status of patent attorneys.

Specifically, the most significant changes are as follows.

#### Key Changes

#### (i) Timing of Procedures

* Time limits for the formal (the so-called ‘preliminary’) examination and substantive (the so-called ‘complete’) examination of applications for registration of designations claimed to be trademarks have been reduced. Previously, in the case of the formal examination, such time limit was one month, and in the case of the substantive examination, nine months, from the date of filing of an application. Now, the time limits are: ten business days - for formal examination, and seven months - for the substantive examination, respectively. A trademark registration will be carried out by an expert organization, and not by the authorized agency.
* The maximum time limit for examination of appeals by the Board of Appeals is reduced. Previously, the Board of Appeals had the right to consider objections within 12 months (with taking into account a six-month extension). Now, the maximum time limit is 9 months.

#### (ii) Registration Procedure

* The new rules envisage mandatory publication of applications after their preliminary examination. Previously, such applications were not subject to publication. Now, applications must be published in a bulletin of the expert organization within five days of the completion of the preliminary examination.
* Representatives of authorized entrepreneurial organizations will now participate in the Board of Appeals. Thus, the previous practice where only representatives of the authorized agency and representatives of the expert organization decisions of which were disputed were members of the Board of Appeals has been changed.
* Procedure for a registration of license agreements is simplified. Specifically, while the Law is not entirely clear on this matter, it is anticipated that in accordance with new requirements the registration process will not include the examination of a license agreement itself.

#### (iii) Appeal Procedure

* Additional grounds for challenging trademark registrations are introduced (for instance, registration in the name of a representative without the consent of the trademark owner).
* Consideration of appeals against trademark registrations on the grounds of their non-use is excluded from the competence of the Board of Appeals, which considers appeals against decisions of the expert organization. Now, appeals based on this ground can be filed directly with the court.
* Now, disputes relating to trademark registrations on the grounds of their non-use, violation of rights to trademarks and appellations of origin, and conclusion and performance of trademark license agreements can be resolved, by agreement of the parties, through mediation or arbitration.

#### (iv) New Definitions

* The term ‘exhaustion’ of exclusive trademark rights is expressly introduced to the Law. Previously, despite the existence of the rule, the absence of the term used to create disputes regarding the legitimacy of the use of trademarks in relation to goods imported from the territory of the member states of the Eurasian Economic Union. Now the law-making agencies have eliminated this gap.
* The concept of ‘counterfeit goods’, which was previously absent from the legislation, is expressly introduced to the Law. Specifically, goods are recognized to be counterfeit if trademarks, appellations of origin or confusingly similar designations are placed to such goods and their packaging without owner's consent.

#### (v) Counterfeit and Grey Import

* The new version of the Law provides that only counterfeit goods are now subject to removal from the market and destruction. This means that original goods that were introduced into the market with breach of trademark owner’s rights (parallel import) are not subject to seizure or destruction. Absence of such measures may result in increase of sales of such goods.
* Under the new rules, counterfeit goods and their packaging are not subject to destruction and can be introduced into the market if this is in public interest and does not breach Kazakhstan consumer protection legislation. Thus, the Republic of Kazakhstan has become the first member state of the Eurasian Economic Union which legalized sales of counterfeit goods.

#### (vi) Compensation instead Damages

* Another novelty is granting to trademark owners the right to claim from infringers a so-called "compensation" instead of damages (the so-called ‘alternative liability’). The amount of such compensation will be determined by the court based on the nature of the breach, the market value of the homogeneous/original goods to which a trademark, appellation of name origin or confusingly similar designation is placed with the owner’s consent.

In general, despite the fact that a number of novelties should somewhat simplify the trademark registration procedures, we believe that, after the entry into force of these amendments, the level of protection of trademarks and appellations of origin will decrease. Furthermore, a number of adopted rules contradict to international treaties on protection of intellectual property rights to which the Republic of Kazakhstan is a party. In that regard, we anticipate a large number of legal disputes relating to violations of trademark rights, especially with regard to parallel imports.

**Copyrights**

Copyright protection is afforded to “original works of authorship.” Copyright protection includes the right to reproduce, the right to create derivative works, the right to distribute, and the right to publicly perform. Contrary to popular perception, copyright protection does not extend to mere ideas, systems, concepts, principles, or discoveries in their abstract forms.

Instead, to be eligible for copyright protection, a work must be fixed in a tangible medium of expression from which it can be communicated either directly or with the help of a device. The medium can be known now, or it can be later developed. Copyrightable works include literature, music, dramas and plays, choreography, pictorial work, graphics and sculptures, motion pictures, sound recordings, and architectural work.

**Patents**

A patent is a monopoly that provides an exclusive right to make, use, offer to sell, or sell a particular invention in the United States, or import it into the United States, for a limited period. The purpose of giving inventors patent protection is to encourage inventers to invest their time and resources in developing new and useful discoveries. In order to obtain the limited monopoly, inventers must disclose patented information to the U.S. Patent and Trademark Office (USPTO). In order to get a patent, the application to the USPTO must demonstrate subject matter that can be patented, usefulness, novelty, non-obviousness, and enablement.

**Trademarks**

To obtain trademark protection, a word, phrase, logo, symbol, shape, sound, fragrance, or color must be used in commerce by a producer to identify goods, and it must also be distinctive. Exclusive rights to a trademark are awarded to the first producer to use it in commerce. The second requirement of distinctiveness encompasses four traits: arbitrary/fanciful, suggestive, descriptive, and generic.

**Trade Secrets**

Under the Uniform Trade Secrets Act (UTSA), trade secrets are information that derives independent economic value from not being generally known through appropriate means by other people who might obtain economic value from its disclosure or use, and that the holder of the trade secret strives to keep secret with reasonable efforts. In the past, improper use or disclosure of a trade secret was a common law tort, which required six factors to be considered when deciding whether information counted as a trade secret. However, the majority of states have enacted the UTSA. In addition to proving that the trade secret qualifies for protection, a trade secret holder trying to enforce a trade secret under the UTSA needs to prove that a defendant wrongfully acquired and misappropriated the secret information.

# Patents

A patent is a limited-time monopoly for a new invention or discovery. Congress is empowered to make laws to grant patents to inventors under Article I, section 8 of the U.S. Constitution. The Patent Act governs the granting of patents and the workings of the United States Patent and Trademark Office (USPTO). Those who are able to secure a patent have the right to exclude others from making, using, or selling their patented inventions.

Aspects of patent law include:

* Types of Patents
* Patent Search
* Applying for a Patent
* Licensing
* Patent Prosecution
* Patent Appeals
* Infringement
* Enforcement

There are three types of patents: utility patents, design patents, and plant patents. The most frequently sought-after type of patent is the utility patent, which protects new, useful processes, machines, manufactures, compositions, or improvements. A design patent can be granted to someone who invents a new design for a manufactured item. A plant patent can be granted to anybody who invents or discovers and asexually reproduces a new kind of plant.

## How to Obtain a Patent

Those who want to obtain a patent submit applications to the USPTO, which reviews applications to determine whether a particular invention is patentable. Under Section 101 of the U.S. Patent Act, an invention may be patentable if it is statutory, new, useful, and nonobvious. Certain items that have been deemed to be not statutory are data structures, nonfunctional descriptive material like literature or music, and electromagnetic signals. The patent application must adequately describe the invention, and the inventor must claim it in clear and definite terms.

Whether an invention is novel requires a search for prior art, which is the body of knowledge involving similar and earlier products or processes, and an analysis of whether the public knew of the invention before the invention was invented, whether it was described in a publication more than a year before the filing date, and whether it was used publicly or sold to the public more than a year before the filing date. In general, there is just a one-year period after disclosing the invention to someone without a confidentiality agreement during which “novelty” will be found. It is important to be diligent about filing a patent application.

Usefulness means not only that there is a useful purpose to the invention, but also that the invention is operable. A composition that does not operate to serve its purpose will not meet this requirement.

An invention must be not only novel, but must also be a nonobvious improvement over prior art. The invention will be compared to the prior art in order to figure out whether a person who had ordinary skill with the technology used in the invention would have found it to be obvious.

A patent office examiner must review previous patents to determine which patents are similar to the invention that is the subject of the patent application. The examiner will look at whether the features of the invention can be found in a single patent to determine novelty, and in two prior patents to determine nonobviousness. In general, simply substituting one material for another in an invention or changing its size or appearance will not be sufficient to obtain a patent.

# Copyright

Works of authorship must be fixed in a tangible medium of expression and fall within the subject matter of copyright to be protected. They must be able to be perceived or otherwise communicated directly or indirectly with a device. Ideas, concepts, procedures, principles, discoveries, and systems are not protected by copyright.

What counts as “writing” has expanded as the number of technological means of communication increases. Writing includes literary works, dramatic works, software, graphic arts, motion pictures, sound recordings, and choreographed dances. Important aspects of copyright law include:

* Registration, Copyright ownership
* Fair use, Infringement, Enforcement

A copyright holder has the following exclusive rights: reproduction, distribution, performance, display, licensing, and preparation of derivative works. A copyright holder can enforce these rights through copyright infringement litigation. However, the copyright holder’s interests are balanced against the interests of society under the fair use doctrine. Courts balance multiple factors to determine whether a defendant’s actions or work should be considered fair use. However, generally, using a copyrighted work in order to criticize it, comment on it, report the news, teach, research, or produce other scholarly work is not considered infringement.

Under Section 106A, known as the Visual Artists Rights Act (VARA), authors of works of certain visual arts also have moral rights, specifically rights of attribution and integrity. This means visual artists of particular types of works have the right to claim authorship of their work and to prevent the use of their name on any work they did not create. Artists of works covered by the legislation also have the right to prevent the use of his or her name on a work of art if it is distorted, mutilated, or otherwise modified and could cause harm to their honor or reputation.

Unlike other authors, visual artists have a moral right to prevent intentional distortion, mutilation, or any other modification of their work and to prevent destruction of their work, if the work is of recognized stature. For example, if someone mutilates a mural that is recognized as a work of great value, the painter has the right to sue the person who mutilated the work. VARA covers only fine arts such as paintings, drawings, prints, still photographs for exhibition, and sculptures.

## Registration for Copyright

Registering a copyright is voluntary. An author obtains copyright as soon as he or she creates an original work of authorship in a fixed medium. In other words, it is immediately his or property, and no other action, such as providing notice of copyright by using a copyright symbol, is required under the law. When a work is made for hire, the employer is the author and holds the rights and protections.

However, in order to enforce a right through litigation, copyright must be formally registered with the Copyright Office. In addition to registering the copyright, United States copyright holders should deposit copies with the Copyright Office for use by the Library of Congress, except with regard to certain materials.

## How Long Does Copyright Last?

The length of time during which an author has copyright protection in his or her work depends on when the work was created. Work that was created and fixed on or after January 1, 1978 is protected for a term of the author’s life plus 70 years. When there are two or more authors of a joint work, the term continues for 70 years after the death of the last surviving author. Works for hire are protected for the lesser of 95 years from the first publication or 120 years from creation. However, if the Copyright Office records later reveal the author’s identity, the ordinary terms of protection apply.

The term of protection for works that were published before 1978 varies depending on the exact year. After a term of protection expires, the work falls into the public domain, and the copyright holder loses his or her rights.

# Trademarks

Trademarks are a type of intellectual property that is used to identify and distinguish one source of goods from another, and make it easier for a consumer to quickly discern who has produced a particular product or object. Both federal and state laws protect trademarks, but federal protection has expanded over the last century, preempting much of state common law. The primary law related to trademarks is federal: the Lanham Act. Federal trademark law is derived from the Constitution’s Commerce Clause.

Trademarks are usually words, phrases, symbols, designs, or a combination of these. A consumer can quickly look at a shoe and, rather than carefully read a product sheet to figure out who produced the shoes, see a “swoosh” symbol and understand this to mean that Nike, not one of its competitors, produced the shoe.

In some cases, trademark protection extends beyond words, symbols, or phrases to include another physical aspect of a property, such as its unique shape or color. Such features can be trademarked as “trade dress.” They can only be protected if consumers associate the feature with a specific manufacturer and not with that product in general. A manufacturer cannot receive trade dress protection for a feature that gives its products a functional competitive advantage. For example, a feature that makes an object easier to hold is a functional advantage.

The mark used as your business’ trademark needs to be distinctive to be owned. There are four classes of mark with different requirements and varying degrees of legal protection: arbitrary or fanciful marks, suggestive marks, descriptive marks, and generic marks.

## How to Get the Benefit of Trademark Protection

If your trademark qualifies for protection, you can obtain rights to the trademark either by being the first person to use the mark in commerce or by being the first to register the mark with the U.S. Patent and Trademark Office (USPTO).

Using a mark in “commerce” usually means that you have sold a product to the member of the public with the mark attached to it. If you are the first to do this, you will have priority to use the mark in the geographic area where the sales take place as well as geographic areas where your business would be expected to expand or where the reputation of your mark is established. There is a variation for descriptive marks, which can only be trademarks or be registered after they acquire secondary meaning.

Registering the mark with the USPTO with the bona fide intent of using it in commerce also allows you to acquire priority in the trademark. Registering gives these advantages: notice to the public that the person or entity that registered has ownership of the mark, a legal presumption of ownership of the mark, and the exclusive right to use the mark in connection with goods or services.

You will be able to use a registered trademark around the country, even if you are selling in a small area. However, you will not be able to use it in geographic areas where it is already being used by other individuals or businesses engaged in commerce.

## The Loss of Trademark Rights

Trademark owners usually need to keep close watch over their marks in order to make sure the rights are not infringed, diluted, or lost. You can lose a trademark in a variety of ways.

You can lose a mark through abandonment. A mark will be considered abandoned if you stop using it for three consecutive years and you have no intent to resume its use.

You can also lose a mark through improper licensing or improper assignment. Trademarks can also be lost if you license a trademark without specifying adequate control or supervision, or if you assign a trademark to someone else without also selling that person or entity the corresponding assets.

Some trademarks become generic as time passes. This means that most members of the public think the word means a type of product, rather than a product from a specific manufacturer. Trademarks that become generic in this way are lost due to “genericity.” For example, “aspirin” became generic over time.

# Trade Secrets

Under the Uniform Trade Secrets Act (“UTSA”), a trade secret is defined as information that derives independent economic value because it is not generally known or readily ascertainable, and it is the subject of efforts to maintain secrecy. Unlike copyrights, patents, and trademarks, trade secrets are not registered with a government agency. However, in some cases, they can represent a company’s most valuable intellectual property assets.

The UTSA has been enacted by most states, but in states where it has not been enacted, infringement or “misappropriation” of a trade secret remains a common law tort. Common issues involving trade secrets are:

* Nondisclosure Agreements, Noncompete Agreements
* Infringement, Enforcement

Trade secrets are easily misappropriated. Often, they consist of information that can be memorized or noted down by employees, customers, developers, suppliers, and others. The more people know a trade secret in an economy where employee turnover is high, the harder it is to keep the information secret. If a competitor, journalist, or blogger gets hold of the trade secret, the information may be put to use immediately. Once a trade secret becomes public, its status as a trade secret may be lost.

## Examples of Trade Secrets

Information that can be kept as a trade secret includes formulas, patterns, compilations, programs, devices, methods, techniques, or processes. Some examples of trade secrets include customer lists and manufacturing processes. The economic value of the information can be actual or potential. For example, if you have not actually started producing a particular useful device according to a blueprint, you can still protect the blueprint as a trade secret on the basis that it has the potential for economic value.

Sometimes the information that is protected as a trade secret may also be protectable as an invention under a patent. However, in order to obtain a patent, you must make a public disclosure of how an invention can be reproduced. Patent protection is a limited monopoly for a specific time, whereas trade secret protection continues until the trade secret is publicly disclosed. The same invention cannot receive patent and trade secret protection at the same time.

## What Do You Need to Prove in a Trade Secret Claim?  In most states, in order to prove a trade secret claim, you will need to prove that:

* The subject matter at issue is a trade secret;
* You made reasonable efforts to prevent the trade secret from being disclosed;
* Somebody else misappropriated the information.

There are two types of illegal appropriation of a trade secret. It may be acquired improperly, or it may involve a breach of confidence. A competitor can lawfully use independent discovery, acquire a trade secret through an accidental disclosure based on the trade secret owner’s failure to reasonably guard the secret, or use reverse engineering.

Some companies wonder what the court considers “reasonable” efforts to guard trade secrets. In general, disclosure of trade secrets should be limited to a need-to-know basis. Anyone to whom the trade secret must be disclosed should have to sign a nondisclosure agreement, and when possible, a noncompete agreement. These agreements can include clauses that restrain employees from working on confidential information from their home computers. Any documents or items that contain trade secrets should be conspicuously marked “confidential.” The policy regarding trade secrets should be clearly articulated in the company handbook, and measures should be taken to restrict access to the trade secrets, such as by issuing employee badges or installing locks and passwords.

Since no government entity monitors trade secrets, enforcement of trade secrets is largely a matter of policing by private companies that can afford to do so. However, in the case of intentional theft of trade secrets, the federal Economic Espionage Act of 1996 and some state laws provide criminal penalties. Misappropriation of trade secrets is also a form of unfair competition.

# Choosing Among Patent, Copyright, and Trademark

While most people understand the differences between tangible property and intellectual (intangible) property, understanding the differences among various forms of intellectual property can be more challenging. Patents, copyrights, and trademarks contain certain distinctive features. This makes it important to understand which alternative offers the best option to protect your rights.

## Differences Between Patents and Copyrights

Patents usually involve a product or process that has a functional use. By contrast, copyrights involve the creative arts. Thus, patents usually apply to technologies, while copyrights apply to paintings, novels, songs, movies, and other areas of the humanities. Design patents can bear some similarities to copyrights because they relate to the non-functional appearance of objects.

## Differences Between Patents and Trademarks

Patents cover the use of a new technology, while trademarks distinguish a product or service from competing products or services. A patent provides stronger protection because it prevents anyone else from making, selling, or using an invention without the patent owner’s permission. A trademark simply prevents other parties from marketing similar products in a manner that confuses consumers. Sometimes a patent that covers a design feature in an invention may overlap with trademark protection if the design feature also sets apart the product from competing products in the market.

## Differences Between Copyrights and Trademarks

Copyrights apply to works that have a minimal amount of creativity and are fixed in a tangible medium. They do not cover individual words or phrases, and they do not protect titles of works. Trademarks serve this purpose by covering words and phrases, as well as logos and other visual images, if they are sufficiently distinctive to set apart a source of products or services from the competition. Copyright and trademark can overlap when a logo contains artistic features. Copyright protection may apply to the logo as an artistic work, while trademark protection may apply to prevent competitors from using the logo in a way that causes consumer confusion. Also, trademarks apply to the names of products and marketing slogans used in advertising, while copyrights protect the artistic features of an ad, such as additional passages of text, music, or video components.