computer systems and criminal law, to name a few.

Congress has passed significant legislation affecting intellectual property and the Internet, such as:

- *The Anticybersquatting Consumer Protection Act* (in addition to the Uniform Dispute Resolution Policy, which provides an optional arbitration remedy for claims to cancel and transfer an infringing domain), which gives trademark holders a remedy against persons registering their trademark as a domain name in bad faith.
- *The Digital Millennium Copyright Act*, which gives copyright holders the ability to protect against the unauthorized distribution and copying of digital works (e.g., written and sound recordings), as well as preventing the unauthorized access to encrypted works.
- *The Federal E-Sign Law*, which ensures that most electronic signatures are legally binding.
- *The Children's Online Privacy Protection Act (COPPA)*, which restricts the collection of personal information from children under 13.
- *The Electronic Communications Privacy Act* which provides for restrictions on the interception of an electronic communication without consent (except for employers in certain circumstances).
- *The Communications Decency Act*, which was initially enacted in response to potentially offensive online material and later amended to grant immunity from defamation for telecommunication companies and online publishers.

This pamphlet, which is based on Federal and New York law, is intended to inform, not to advise. No one should attempt to interpret or apply any law without the aid of an attorney. Produced by the New York State Bar Association in cooperation with the Intellectual Property Law Section.

NEW YORK STATE BAR ASSOCIATION
1 Elk Street, Albany, NY 12207 | Copyright © 2020
Order online at NYSBA.ORG/LEGALEASE or Call 1.800.582.2452
Product Code: A41337 | 1M 9/20

NYSBA *LEGALEase*

Intellectual Property

NEW YORK STATE BAR ASSOCIATION

WHAT IS A COPYRIGHT?

A copyright is a form of protection provided to the authors of original works by the laws of the author's resident country and through international treaties. Copyright owners have the exclusive right to reproduce their copyrighted work and make certain other uses of it. Anyone else who wishes to (a) reproduce the copyrighted work, (b) produce adaptations or other works based on it, (c) perform or display it publicly, or (d) distribute copies of it, either in hard copy or by electronic transmission, must get the permission of the copyright owner to do so.

Photographers, artists, authors, architects, publishers, singers, writers and composers can all be copyright owners. A copyright only protects an author's specific expression, however, and not the general idea being expressed, or any system, process, discovery or method embodied in the work. A copyright exists from the moment the work is first written down, drawn, or recorded, and no registration or other formality is required to protect the work.

However, in the U.S., a copyright owner must register the copyrighted work in order to sue and collect legal damages from anyone who makes unauthorized use of the work, which can include statutory damages, costs and attorney's fees. Registration forms can be obtained from the U.S. Copyright office website at **www.copyright.gov**. The site also offers information circulars about how to register specific types of works and on many other useful subjects.

Copyright protection lasts for the life of the author plus 70 years, or for 70 years after the death of the last of multiple authors of a work. If a work is created by an employee of a company in the ordinary course of employment, the work is considered a "work made for hire." And the company is considered the "author" of the work. In that case, copyright protection lasts for the shorter of 95 years from publication or 120 years from creation. If an author is not a formal employee, the mere fact that he or she is paid to create a work does

INTELLECTUAL PROPERTY

not mean the hiring party owns the copyright to it. Unless there is a signed agreement saying the employer will own the copyright, and unless the work is made for use in a film, a textbook, or one of a few other special types of works, it is owned by the individual who created it, not the employer.

If someone makes an unauthorized use of a work for purposes such as teaching, scholarship, research, news reporting, commentary or criticism, the use might be considered a "fair use," and the copyright owner might be unable to stop it or collect damages. Fair use is determined on a case-by-case basis, and there are no clear, predictable rules as to when a particular use will be excused on this basis.

WHAT IS A TRADEMARK?

A trademark is a word, symbol, design, sound, color or other distinctive subject matter that identifies and distinguishes goods or services of one party from those offered by other parties. In the United States, trademark rights arise from either (1) a prior use in commerce or (2) a prior application filing with the U.S. Patent and Trademark Office (USPTO) based on a bona fide intent to use the trademark in commerce and the ultimate registration of the trademark based upon a demonstration of its use in commerce. Trademarks may take many forms, including that of a distinctive color (e.g., pink insulation), sound (e.g., chimes announcing broadcast services), scent (e.g., a particular scent applied to yarn), product configuration (e.g., the shape of a perfume bottle), or trade dress (e.g., distinctive product packaging design). Normally, a trademark appears on the product or on its packaging to identify goods, or in advertising to identify the owner's services.

In the United States, because trademark rights arise from use of the mark in commerce, it is not necessary to obtain a federal trademark registration to enforce trademark rights. But owners of registered marks receive certain presumptive rights and protections, including a presumption of nationwide priority, the possibility of greater damage awards for infringement, and the right to ask the U.S. Customs

Service to stop the importation of infringing goods. It also allows use of the registration symbol "®." Prior to receiving a federal registration, a trademark owner may use either "™" for a trademark or "℠" for a service mark to indicate an unregistered claim of ownership. Additionally, various treaties with foreign countries permit registration of trademarks in the U.S. based on foreign registrations (including International Registrations under the Madrid Protocol).

Unlike a copyright or patent, trademark rights can last indefinitely so long as the trademark is used continuously in commerce. The initial term of the federally registered trademark protection is 10 years, with 10-year renewal terms. Between the fifth and sixth year after the date of initial federal registration, the owner of the registration must file an affidavit stating the mark continues to be used in commerce to maintain the registration.

WHAT IS A TRADE SECRET?

The fundamentals of trade secret law are simple. If a business has confidential information or know-how that is valuable or gives a business a competitive edge, and takes reasonable measures to keep it confidential, the business can take action against anyone who steals or misappropriates this information or know-how. The law of trade secrets can protect high and low-tech information alike: customer information, sales strategies, new product ideas, computer programs, and highly technical scientific formulas. Properly protected trade secrets can enjoy legal protections indefinitely—far longer than items subject to patent or copyright protection—without the need for filing with a government office.

Of course, if a third party learns of the confidential information or know-how lawfully, such as by coming up with a similar idea themselves, there is no misappropriation. Trade secret law only protects against obtaining the information by improper or dishonest means. If someone else can ascertain a secret formula by legitimate means, or can come up with the formula independently, or from other legal means (including the inadvertent disclosure of a trade secret) he or she will not be prevented from using it.

Because a trade secret can be lost if contractual and practical protections are not adequate, the law places a substantial burden on the trade secret owner to establish, follow, and enforce reasonable workable procedures to safeguard valuable information. As such, the fewer people who know the information, the fewer who can misappropriate it. Common sense safeguards, such as restricting access to the worksite; keeping secret information, machinery and manufacturing techniques out of view of visitors; requiring confidential information to be stored under lock and key or computer password; and using coded or unmarked product ingredients can help keep information secret. Companies should also be careful not to disclose their secrets in advertising literature, trade shows, on their websites or in public speeches. They should also use properly worded Non-Disclosure Agreements when and where necessary.

Confidentiality "legends" on specific documents (or computer screens) can be useful in identifying what information is to be protected. However, both overuse or under use of the "CONFIDENTIAL" legend should be avoided since each results in providing little practical guidance.

Finally, when trade secret owners need to disclose secrets to third parties, contracts such as confidentiality, license and non-solicitation or non-compete agreements can help protect secrets. The trade secret owner should not rely on boilerplate, since different business needs may require different approaches. Further, state law requirements for such agreements vary widely.

The owner of a trade secret that has been wrongfully acquired by someone else can bring a legal action in New York or in federal court under the newly enacted Defend Trade Secrets Act to try and stop use of the secret, sometimes through preliminary relief in the form of a TRO or preliminary injunction and claim monetary damages. The burden is on the trade secret owner to establish that there is a trade secret and that it was properly protected, and that it was, or threatens to be, used or disclosed improperly.

The most famous trade secret in the world? The formula for Coca Cola.

WHAT IS A PATENT?

A patent is the exclusive right to use an invention and to exclude others from making, selling, offering for sale, or importing the invention for a limited period of time. The U.S. Constitution (Article I) contains a direction to Congress to provide patent protection "to promote the progress of science and of the useful arts, by securing for limited times to inventors . . . the exclusive right to their . . . discoveries."

Interpretations of the Patent Act by courts have defined certain limits on what can be patented. For example, the laws of nature, physical phenomena, and abstract ideas are not patentable. In recent years, courts have also found that certain business methods that rely on the general application of abstract ideas or algorithms might be indefinite or otherwise not be patentable.

There are three kinds of patents. Utility patents cover "utilitarian" inventions such as machines, something that is manufactured, a method of doing something, a process by which something is made, and products resulting from a method or process. Like other types of patents, the invention must be new and useful, and can include an improvement on something that is not new. Utility patents are effective from the date a patent is granted and last 20 years from the date of filing.

Design patents cover the ornamental appearance of a useful device (see utility patent, above), but not the function of such a device. For example, the unique ornamental shape of an item, such as a chair or blender, might be protected by a design patent, but its operation is not. Design patents last 15 years from the date of grant for applications filed on or after May 13, 2015 (and 14 years prior). It is possible for a device to be the subject of both a design and a utility patent.

Plant patents are granted to anyone who invents or discovers a plant which (this is important) asexually reproduces any new variety of certain types of plants. The patent will also last 20 years from the date of filing.

No one else is legally allowed to make or sell the same thing, or use the same design, unless granted a license by the owner of the patent. This is to encourage invention, investment and commercialization of new technologies or improvements of existing technologies.

A patent is secured by an inventor first filing an application and paying a fee to the U.S. Patent & Trademark Office. The description of the item, design, or plant must be so complete that the invention can be reproduced by anyone experienced in the art to which the invention relates.

A patent application (provisional or non-provisional) must be filed at most within one year from the date the applicant first publicly discloses the invention, and before anyone else files an application or publicly discloses the same invention. If a provisional application is filed, it must be converted to a non-provisional utility application within one year of the provisional filing. Any application filed after another files or discloses the same invention, or more than one year after the application discloses an invention, will either be rejected or will result in a void patent.

Inventions that reflect only an incremental and predictable change over inventions that have come before are said to be "obvious" and are also denied patent protection.

WHAT IS INTERNET LAW?

Intellectual property law is at the core of Internet law (i.e., copyrights, trademarks patents, trade secrets); however, the law of the Internet touches upon a broad array of legal issues, covering nearly the entire legal landscape, including: domain name disputes, piracy of works, privacy and security of information, online defamation, First Amendment rights, pornography, enforceability of e-signatures, personal jurisdiction, contract law and click-through agreements, interference with and unlawful access to