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# **THREE WAYS to CREATE INTELLECTUAL PRORERTY**

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**New  
IP Laws**

## **THREE WAYS TO CREATE INTELLECTUAL PROPERTY (IP)**

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## **Disclaimer**

This PDF report is a guide to intellectual property law and related legal and business issues. Although legal strategies, forms, restatements of the law, agreements, etc. are offered for your consideration, this pamphlet is not intended as a substitute for obtaining competent legal advice directed to your specific situation. Each invention, trademark, copyrightable work, and its related legal and business issues, calls for individual analysis. Moreover, the laws keep changing, and you need advice based on an understanding of the most current law and business trends. You are accepting this free report with the understanding and agreement that the author and publisher have no liability to anyone for any loss or damage caused, or alleged to be caused, directly or indirectly, by the use of information in this report.

# What's Intellectual Property?

If your idea has commercial value, you need to acquire *intellectual property* in it. In the broadest sense “intellectual property” refers to the legally enforceable right of exclusive use. Legislators and courts have vested certain commercially valuable ideas with the status of “property.” The three most important of these commercially valuable ideas having the status of “intellectual property” are trademarks, copyrights, and patents.

## Trademarks

### Choose A Mark That Is Unique.

Your trademark distinguishes your goods or services (service mark) from those of your competitors. If you are selling services rather than products, you have a service mark. The trademark or service mark represents your reputation in the marketplace. It is the vehicle your customer uses to distinguish your products and services from those of your competitors. Search the United States Patent and Trademark Office records before you pick a mark.

Almost anything can be a trademark or service mark. Words, pictures, drawings, sounds, slogans, colors of products, colors of labels, unique shapes of containers or labels, and even odors. What is important is that the mark must be distinctive. If it simply describes a function or characteristic of the product or service, it cannot usually serve as a trademark. It can, however, be suggestive of some attribute of the product or service. Coined names that have no meaning whatsoever are the best; for example, Kodak® and Exxon®. However, a common English word, such as camel in Camel® cigarettes, may serve as a trademark. Surnames are not trademarks until, through usage, they become distinctive, like Ford® automobiles. Usually this takes several years or a very expensive advertising program.

Care must be taken to use the trademark properly. It is an *adjective* that modifies a noun. For example, Exxon® petroleum products are superior. Sometimes, the general public incorporates a trademark into the English language. This is referred to as the mark becoming generic. If the mark becomes so closely identified with the product or service that it becomes

the ***name*** of the product or service, it loses its status as a trademark. Examples of this are ***nylon, aspirin,*** and ***cola*** to name a few.

### **Register Your Mark**

You are not required to register a trademark in the United States. You acquire rights in the mark by using it in connection with your goods or services. The mark is placed on the goods in a conspicuous place, or on the packaging for the goods. In the case of service marks, the mark is displayed on letterhead, brochures, advertising material, business cards, etc., along with a brief description of the services being provided. If you are doing business under a fictitious name, registering your fictitious name is not registering your mark. Such fictitious name registration may not even be of any help in establishing your rights, for it is ***use*** of the mark that establishes your rights in the mark in the ***territory*** where you are using it.

### **Registration of Trademarks**

Trademark registration is available at both State and Federal levels. Each State has its own Register of Trademarks. If you are only using the mark in one State, you may obtain registration in this State. If you do not have any plans to use the mark outside of this one State, this will be the only territory in which you will enjoy trademark protection. Moreover, you are not entitled to use the symbol ® unless your mark is registered with the United States Patent and Trademark Office. For unregistered marks, or marks only registered in States, it is customary, but not legally required, to use the symbol **TM** next to marks for products and the symbol **SM** next to marks for services. For example, Innovation Enterprises<sup>SM</sup>.

If you are actually using the mark in interstate commerce, or have a bona fide, good faith ***intent to use*** the mark in interstate commerce, you may apply for a Federal registration, 15 U.S.C. §1057. In the case of an ***intent to use*** application, you may be called upon to prove by documentary evidence that you had a good faith intent at the time of filing the application. At the very least you should have an attorney conduct a Google and USPTO search and provide a written opinion regarding the availability of the mark.

Through a Federal registration you can acquire the greatest rights in your mark. First, it puts on the record that you are the owner of the mark, and

after five years certain aspects of your registration become incontestable. Second, your mark is effective throughout the entire United States, establishing your ownership even in those States where you are not using it. It in effect preempts anyone else from acquiring rights in States that you have not yet sold goods or services. If someone was using the same mark as yours for the same goods or services prior to you in some individual State, your Federal registration cannot be used to prevent them from continuing to use the mark. They are, however, limited to the territory where they have established prior rights, provided they do not either oppose or cancel your Federal registration within the time periods provided under the Federal trademark law.

### **International Registration**

If you are involved in international commerce, or plan to be in the near future, you will need to obtain registrations of your mark in those countries where you are, or expect to be, conducting significant sales. Registration of your mark in foreign countries is expensive but necessary to protect your international sales. Sometimes your mark is already registered in a foreign country. This may cause you serious problems. Some United States companies find when they seek registration in a foreign country, someone else, sometimes their own distributors, have prior registrations.

**Warning**, your use in the United States may not have any bearing on your rights in a foreign country. Each country has its own laws concerning trademarks. Some require registration of a mark before you have rights. Some require both registration and use. After first filing an application to register your mark in the United States, you have under the Paris Union Treaty **six months** from the filing date (priority date) of the United States trademark application to file a counterpart application in any member country. Your foreign application to register your trademark will then be considered filed on the priority date. If you fail to do so, you may later file an application to register you mark in foreign countries, but you will not get the benefit of the priority date.

### **Franchising and Licensing of Trademarks**

Sometimes a trademark owner chooses to franchise his or her business. This entails providing a detailed set of instructions to the franchisee on

how to conduct and profit from operating the business. Franchising is more than a trademark license and is treated by the law as a security and must be registered like a stock offering under State and Federal law. Basically, if the offer entails a marketing plan it is a **franchise** as distinct from a license agreement.

For a free consultation about your Trademark needs, call the author's law firm, Connors & Associates at +1-949-833-3362

You can also visit the author's website at <https://inventorbeware.com> and use the contact form to send a message.

## Copyrights

Copyrights find some of their greatest utility in the software, entertainment and publishing industries, but no matter what type of business you are in, you should know some fundamental points about copyright law.

Copyrights subsist in "...original works of authorship..." Copyrights are not intended to protect the idea itself, but rather cover the "mode of expressing" the idea. You should distinguish copyrights from trademarks and patents. Trademarks are symbols or words identifying the source of goods or services being provided. Patents cover inventions relating to certain subject matter. Copyrights are granted to the **originator** of a "work." Since two or more individuals may, without access to each other's work, create the same "work," both would be entitled to copyrights.

The copyright is created as a matter of law once the author expresses the idea in some "...**tangible** medium of expression...from which it can be perceived, reproduced, or otherwise communicated either directly or with the aid of a machine or device." The tangible medium of expression could be a writing, drawing, videotape, audiotape, or electronic data stored in the memory of a computer. In order to enforce the copyright in the United States courts, you must at least attempt to seek registration.

It is advantageous to register the copyright within three months after publication in order to insure your right to statutory damages for infringement of the copyright. There are many different types of forms used to register your copyright depending on the nature of the work being registered. For example, a photograph, statute, videotape, movie, and book are all different types of works.

Copyrights may be an inexpensive way for you to protect the documentation generated in your business. Advertising literature, internal operational manuals, computer programs, and other written or graphic material can be protected against copying by the simple procedure of placing the copyright notice on the original work and all copies thereof, and subsequently registering the work. If, however, this documentation

contains trade secret information, it would usually be advisable **not** to use the copyright notice. Rather, restrict access to the documentation and mark it as containing trade secrets, for example, by placing the label “**CONFIDENTIAL TRADE SECRETS**” on the document.

### **Copyright Notice**

You should put the copyright notice on each and every copy of a **published** work. This notice is:

- (1) the word “Copyright” or the symbol ©;
- (2) the name of the owner of the copyright; and
- (3) the year the work was **first** published.

For example, © **John J. Author 2018**. The author is the owner of the copyright, unless the work is “made for hire.” Failure to put the notice on each copy could present problems in that you may not receive the damages to which you would be otherwise entitled. For works published before 1978, failure to provide notice could even result in the loss of the copyright.

### **Works Made For Hire**

Title to the copyright in the work ordinarily vests in the author unless the work is “made for hire.” Either an employer or a party commissioning a work **might** be considered the “author” if the creation of the work meets the requirements of the copyright law. Title of a work resides with the employer when the work is prepared by an employee acting within the scope of his or her employment. Whether an author is an employee will usually be decided on the individual facts and circumstances surrounding the creation of the work. The courts will rely heavily upon the right of the party claiming ownership over the author to direct and control the author. Employees who are responsible for creating works of authorship that relate to their employer’s business may retain the copyright if creation of the work is not within the scope of their employment.

Although a written agreement is not required in a case where the work is created within the scope of employment, you are more likely to prevail in a lawsuit when your employees creating copyrightable works sign an Employee Intellectual Property Agreement. This Employee Intellectual Property Agreement makes it clear that employee created original works of authorship within the scope of his or her employment relating to your

business are “works made for hire.” This is especially important where employees are creating computer programs.

If you retain an independent contractor to create an original work of authorship, there must be an express written instrument signed by you both that the work shall be considered a “work made for hire.” A commissioned work is defined in the 1978 Copyright Act and is designed to protect the interest of commission workers. Only if a work falls into one of the specific categories will a commissioned work be considered a work for hire, and then only if there is a written agreement between the author and the party commissioning the work.

If you are a freelance author, or you wish to hire a freelance author to create a work for you that may be copyrighted, you should have a written agreement. To avoid any misunderstanding, make it clear whether or not the author is going to retain the copyright, or the person hiring the author will be the owner of the copyright. If the author is to retain the copyright and the person hiring the author would only have the right to use the copyright work in connection with the authorization granted by the author, this should be stated in the written agreement.

### **Licenses**

An author may license his or her work, but the copyright law allows the author, and heirs, after a thirty-five year period, during a five-year window, to **terminate** the license. So beware.

For a free consultation about your IP needs, call the author’s law firm, Connors & Associates at +1-949-833-3362

You can also visit the author’s website at <https://inventorbeware.com> and use the contact form to send a message.

# Patents

It is the underlying “idea” embodied in a product that a patent grants exclusivity. And this “idea” is expressed in the words making up the written text of the patent and, usually, in a drawing illustrating the invention. If the patent is challenged in court, these words and the drawing will determine the ultimate validity of the patent and whether the patent is infringed. In effect, the patent goes on trial and the inventor typically is the “star” witness.

## Types of Patents

Only certain things may be patented. In the United States, there are provisional and utility patents on machines, articles of manufacture, composition of matter, and methods for producing useful results, ornamental design patents, and plant patents. If your idea doesn’t relate to one of these categories, it may not be patentable. You may conduct a **search** of all the patents issued since the founding of the United States [www.uspto.gov](http://www.uspto.gov). To obtain information about patents you may call or write:

**Commissioner for Patents  
Box 1450, Alexandria, VA 22313-1450  
Telephone 1-800-PTO-9919**

## First to File

Effective March 16, 2013, the “first” inventor to file is the one to be granted the patent. Therefore it is vital in many cases that you file as soon as possible. There is, however, a one-year grace period that enables an inventor to file within one year after the inventor, or someone deriving the invention from the inventor, discloses the invention. So if you disclose your invention, it is still possible to file subsequently and be awarded the patent, provided it is within the one-year grace period. It is also possible that after making a disclosure and filing within the one-year grace period, another independent of you who did not derive the invention from you, files a patent application after your disclosure date but before you. So it is

vital that you can prove your date of disclosure. No court cases, however, have as yet addressed these or many other issues raised by the new patent law.

### **Written Text**

The written text of a utility patent is in two sections. The first section usually includes a drawing depicting a tangible illustration of one way of implementing your inventive concept, and a detailed description of your invention. The purpose of this is to provide the public with an example of your invention. The law requires you to provide a **written** description of the **best mode** of your invention in the patent application in sufficient detail to enable the invention to be practiced by anyone knowledgeable in the art relating to your invention. This disclosure in most cases will ultimately be published, and the public is thus informed about the details of your invention. In return, you receive the exclusive right to use your invention for a limited period. At the end of this period, anyone may make your invention without infringing the patent.

### **The Claim**

Following the detailed description of an example of your invention is the second section, a definition in general terms of your invention. This definition is called the claim. The claim is the most critical part of the patent. The claim states what the components of your invention are and how these components interact with or relate to each other. The claim is used to determine whether the patent is infringed. The claim must be carefully drafted to define your invention in a way that distinguishes it from similar products or processes.

### **Duty To Disclose**

In the United States, both you and your attorney are under a duty to disclose to the examiner during the examination of the patent application anything that is material to the issue of patentability. Failure to do so will result in the patent being held **invalid** or **unenforceable** and could result in an award of **attorney fees** or even multiple or punitive damages. Usually a suitable disclosure requires submitting to the examiner a listing of all known prior art and in certain cases copies of this art. Although a prior art search is not required, the results of any such search should be disclosed.

### **Patents Outside The United States**

Since each country grants patents that are effective only within its territory, you must obtain patents outside the United States if you believe your invention has substantial international sales potential. Foreign patents are very expensive. An individual foreign patent application can cost two to four, or more, times what it costs to obtain a corresponding patent in the United States. Fortunately, you do not have to make this decision immediately. The United States and most other countries are members of the Paris Union Treaty. Under the Paris Union Treaty, the date on which a patent application is **first** filed in a member country is the **priority date** of this application. If a patent application is filed within one year of this priority date in any other member country, the effective filing date of these subsequently filed applications is the priority date. You **must**, however, file your United States patent application before there is any public disclosure of your invention in order to preserve your foreign patent rights. This is because in many foreign countries any public disclosure of your invention before the priority date will bar you from obtaining a valid foreign patent. Most, but not all countries, belong to the Paris Union Treaty.

### **International Patent Application**

There is also available an international patent application under the Patent Cooperation Treaty (PCT) which further extends your time period for filing in foreign countries. Under the PCT, instead of filing directly in those foreign countries in which you wish to obtain protection, you file a PCT patent application. Currently there are over 140 countries adhering to the PCT and it is **best** practice to designate all member countries. Consequently, a PCT patent application affords you an opportunity to protect your invention broadly in many countries, at least initially. You will be required to enter the national phase in selected designated countries **30 months** (some countries give you a few extra months) after your priority date. You could file in the United States as your first application a PCT patent application, and the filing date of the PCT application would be the effective filing date in all the designated countries, including the United States.

## Provisional Applications

In 1995, the United States patent law was changed to permit the filing of provisional patent applications. A provisional patent application only requires that you provide a written description enabling a person skilled in the art to make and use the best mode of your invention, and pay the filing fee. No claims are required, and there is no examination of the provisional application. It is desirable, however, to include at least one claim. The disclosure in the provisional application may be used to establish the date of the constructive reduction to practice of the disclosed invention. If it is inadequate because it fails to disclose an important feature of your invention, it may be **worthless**. The filing date of the provisional application is used to determine the effective date of prior art and establishes the priority date for filing patent applications in other countries. The provisional application, however, only has a term of **one year**. You must file a utility application meeting all the requirements of the law, including claims, within one year of the filing date of the provisional application and claim the priority date of the provisional patent. If you fail to file this utility application, all your rights, based upon the provisional application, **terminate**.

For a free consultation about your Patent or IP needs, call the author's law firm, Connors & Associates at +1-949-833-3362

You can also visit the author's website at <https://inventorbeware.com> and use the contact form to send a message.

The author has written 2 books on Patents that may help you if you are DIY minded:

PATENT IT and GROW RICH tells you all you need to know about why you should patent your ideas. Learn the 10 commandments of Patent Law.

Get PATENT IT and GROW RICH for \$39.95 at <https://inventorbeware.com/product/patent-it-and-grow-rich-ebook/>

HOW TO WRITE A PROVISIONAL PATENT APPLICATION is a DIY instruction book you can use to write your own provisional patent application.

Get the DIY Provisional Patent Workbook for \$39.95 at <https://inventorbeware.com/product/diypatentbook/>

## **Your Next Step**

If you have an idea for a valuable invention, or a product, or unique service, you need to protect that idea by creating Intellectual Property using one of the three methods outlined in this PDF report.

You can do it yourself, or you can hire an expert. In this case, the particular type of expert you'll want to hire is an attorney who specializes in IP (intellectual property) law.

For a free consultation about your IP needs, call the author's law firm, Connors & Associates at +1-949-833-3362

You can also visit the author's website at <https://inventorbeware.com> and use the contact form to send a message.