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Clearing and Protecting Computer Software

1

How do you Clear and Protect Computer Software?

- Typically by using legal counsel to:
 - Secure, maintain, and evaluate intellectual property rights associated with the computer software; and
 - Evaluate other laws and regulations that may impact the right to create, sell, distribute and/or use the computer software.

2

Today's Focus

- A discussion of the process for securing, maintaining, evaluating and clearing intellectual property rights associated with the computer software.

3

Why Protect Computer Software?

- Maintain right to sell and/or license computer software;
- Prevent others from creating "knock off" products (i.e., unauthorized copies or recreations); and
- Prevent others from usurping goodwill associated with the computer software.

4

Why Clear Computer Software?

- Avoid a loss of goodwill associated with selecting another name for the computer software;
- Avoid infringing another's intellectual property rights; and
- Create a defense for a finding of willful infringement.

5

Protecting Computer Software

- **Protection that may be available:**
 - Protecting the name of the software (**trademark**)
 - Protecting the code from copying (**copyright**)
 - Protecting the underlying method and system from being created and used by another (**trade secret, patent**)
 - Utilizing a technical measure to control access to the computer software from being circumvented (**DMCA**)

6

Clearing Computer Software

Instruments that may be used to clear computer software include:

- Trademark Search/Clearance Opinions
- Patent Opinions
- Copyright Due Diligence

7

TRADEMARKS

- **A trademark is any word, phrase, symbol, letter or number or any combination used to identify products or services and distinguish them from products or services of other companies.**
- Examples: Coca-Cola soft drink, Yahoo! Internet services, American Airlines travel services, etc.

8

Clearing the Name of the Computer Software

Exemplary Process for Clearing and Seeking Trademark Protection

- Step 1 – Create a name for the software product (i.e., a proposed trademark);
- Step 2 – Conduct a “knock out search” on the proposed trademark using United States Patent and Trademark Office (USPTO) website and a web search;
- Step 3 – Conduct a preliminary or comprehensive search on the proposed trademark and obtain a trademark clearance opinion;

9

Seeking Trademark Protection on the Name of the Computer Software

- Step 4 – Determine whether to rely on common law rights or seek trademark protection under state law or federal law;

10

Seeking Common Law Trademark Rights

- Step 5 – Properly use the mark in commerce in desired geographic areas;
- Step 6 – Register related domain names for use and defensive purposes; and
- Step 7 – Monitor trademark usage and applications for registration by others.

11

Seeking Trademark Protection Under Federal Law

- Step 5 – Determine whether to file an intent-to-use or use-based trademark application;

12

Use-Based Trademark Application

- Step 6 - Properly use the trademark in commerce;
- Step 7– File the use-based trademark application with the USPTO;
- Step 8 – Register related domain names for use and defensive purposes;
- Step 9 – Monitor trademark usage and applications for registration by others; and
- Step 10 – Prosecute the trademark application to obtain a trademark registration.

13

Intent-To-Use Trademark Application

- Step 6 – File the ITU trademark application with the USPTO;
- Step 7 – Register related domain names for use and defensive purposes;
- Step 8 – Monitor trademark usage and applications for registration by others;
- Step 9 – File a statement to allege use; and
- Step 10 – Prosecute the trademark application to obtain a trademark registration.

14

COPYRIGHT

- A copyright protects "original works of authorship" from being copied without the owner's permission for several years.
- The term of a copyright varies depending on when the author(s) are individuals or a company. The term for an individual author is the life of the author plus 70 years, and for anonymous, psuedoanonymous, and works made for hire is 95 years from publication or 120 years from creation, whichever expires first.
- Advertisements, packaging, screen prints, jewelry, brochures, manuals, videotapes, music, figurines, photographs, books, decorative parts of merchandise, and any other creative works can all be protected by copyright.
- Ingredients, raw data, facts, titles, names, common geometric shapes and useful articles (tools, clothes, machines, etc.) are normally not protected by copyright, although there are exceptions to this rule.

15

Protecting the Code from Copying

- Copyright protection protects the underlying code and other forms of expression of the computer software from unfair copying by others
- "Clickwrap" software license agreements may limit third parties ability to use the computer software in an unauthorized manner

16

Seeking Copyright Protection

- **Issue 1** – Is the software subject to copyright protection?
- Computer software may be subject to copyright protection when it:
 - (i) is original,
 - (ii) remains fixed in a tangible medium of expression, and
 - (iii) has involved a minimum degree of creativity.

17

Originality

- Must:
 - be an **original work** of the author (i.e., a work independently created)
- **Artistic merits** are irrelevant
- The **underlying idea** of the computer software is not subject to copyright protection (but may be subject to patent protection)

18

Fixation

- Works must be **fixed in a tangible medium of expression** to be protected under the Copyright Act.
- Works must be embodied in a tangible form that is “sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.”
- The requirement for fixation is met when the work can either be directly perceived or perceived with the aid of a machine or other device.
- Storage of computer software on a CD or hard disk drive will meet the fixation requirement.

19

Seeking Copyright Protection

- **Issue 2** – When does copyright protection start?
- Answer – When the work qualifies for copyright protection (see above), it is entitled to federal copyright protection without submission of an application for registration to the Copyright Office.

20

Advantages of Registering the Copyright for Computer Software

- A copyright registration:
 - provides a prima facie presumption of validity of the copyright;
 - is a prerequisite to filing a copyright infringement lawsuit; and
 - may provide statutory damages and attorneys fees in an infringement action.

21

Seeking Copyright Protection

- **Issue 3** – Who owns the copyrighted software?
- **General Rule** – Copyright ownership vests with the author(s) of the work
 - Copyright ownership of a work can be assigned to another
 - **Important exception** – work made for hire

22

Work Made For Hire

Work Made for Hire

1. a work prepared by an employee within the scope of his or her employment; or
2. a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire."

23

Work Made For Hire

Employees

- **Within the Scope of Employment**
 - the work is deemed authored by the employer and the employer will have all exclusive rights associated with the work.
- **Outside the Scope of Employment**
 - the work is deemed authored by the employee and the employer will simply have a license to use the particular embodiment of the work without the exclusive rights associated with the work.

24

Work Made For Hire

Non-Employees

- The work must be:
 1. specially ordered or commissioned,
 2. for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, and
 3. in a written instrument signed by the parties that states the work shall be considered a work made for hire.

25

Clearing Computer Software of Copyright Issues

- Issues that can arise may include:
 - Ownership – do I own the computer software?
 - Infringement – have I made an unauthorized use of another's copyrighted work?
 - Fair Use – is my use of others works in my computer software permissible?
 - Validity – is the copyright (or copyright registration) of the computer software valid?
 - DMCA – has my software violated the DMCA?
 - Software Licensing – have I violated any software license agreements of third parties?

26

Protecting the Underlying Method and System

- Patents and trade secrets may protect the underlying method and system of the computer software.

27

Patent versus Trade Secret

Trade Secret Advantages

- Unlimited duration
- No public disclosure required
- No need to file for protection
- No need to police third parties
- Cheap

Patent Advantages

- Guaranteed exclusivity
- Protection against a third party deriving the invention
- No danger of losing rights from public knowledge or a disclosure
- Constructive reduction to practice sufficient for protection

28

Trade Secret

- Under the Missouri Uniform Trade Secrets Act, a "trade secret" is information or data that
 - (a) Derives **independent economic value**, actual or potential, from not being generally known to, and **not being readily ascertainable** by proper means by other persons who can obtain economic value from its disclosure or use; and
 - (b) Is the subject of efforts that are reasonable under the circumstances to **maintain its secrecy**.
- Mo.Rev.Stat. § 417.453(4).

29

Why Own a Patent?

- Ownership of a patent gives the patent owner the right to **exclude others** from making, using, offering for sale, selling, or importing into the United States the invention claimed in the patent.
- 35 U.S.C. 154(a)(1), MPEP 301

30

How Long Does a Patent Last?

General Rule

- 20 years from filing (starting from the date of issuance) 37 U.S.C. 154(a)

Exceptions

- If before June 8, 1995, 20 years from date of filing or 17 years from issue, whichever is longest
- Time with a Provisional Application does not count against the term
- Patent Term Adjustment for delays during patent prosecution 37 U.S.C. 154(b), MPEP 2730

31

What is the Process for Obtaining a Patent?

- Conceive the invention
- Determine who owns the invention
- Prepare an invention disclosure
- Perform a patentability search
- Prepare and file a nonprovisional patent application
- Prosecute the patent application before the United States Patent and Trademark Office (USPTO)
- Obtain a notice of allowance
- Pay the issuance fee

32

Pre-Filing

- **Conception** –[Diligence]->
- **Reduction to Practice** –[Diligence]->
- **Filing of the Application**

33

Conception

- Conception is the mental formulation and disclosure by the inventor of a **complete idea for a product or process**.
- The idea must be of **specific means**, not just a desirable end or result. Chisum §10.4
- An inventor must present proof showing possession or knowledge of each feature of the invention to a corroborating witness in sufficient detail to enable one skilled in the art to practice the invention.

34

Reduction to Practice

- An inventor may reduce an invention to practice either **constructively** by the filing of a patent application or **actually** by building and testing a physical embodiment of the invention.
- “[T]he act of filing the United States application has the legal effect of being, constructively at least, a simultaneous conception and reduction to practice of the invention.” *Yasuko Kawai v. Metlestics*, 480 F.2d 880

35

General Requirements for Patentability

- Requirement #1 – **Patent Eligibility/Utility**
- Must be eligible subject matter and perform some function of positive benefit to society
 - 35 USC §101 - “Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title”

36

General Requirements for Patentability

Requirement #2 – Anticipation

- The inventor must have invented something new.
- 35 USC §102(a) – “A person shall be entitled to a patent unless ... the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent”

37

General Requirements for Patentability

Requirement #3 – Statutory Bar

- 1 year public disclosure bar
- 35 USC §102(b) – “A person shall be entitled to a patent unless ... the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States”

38

General Requirements for Patentability

Requirement #4 – True Inventor

- Applicant(s) must be the true inventor(s)
- 35 USC §102(f) – “A person shall be entitled to a patent unless ... he did not himself invent the subject matter sought to be patented”

39

General Requirements for Patentability

Requirement #5 – First Inventor

- Patent interference to determine who is the first inventor
- 35 U.S.C 102(g) A person shall be entitled to a patent unless ... another inventor involved therein establishes... that before such person's invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or (2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

40

General Requirements for Patentability

Requirement #6 – **Nonobviousness**

- The new combination of existing elements must not be obvious to one of skill in the art at the time of the invention.
- 35 U.S.C. §103(a) “A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. ...”

41

Utility, Design and Plant Patent

- What are the differences between a utility, design and plant patent?
- **Design Patent** – “Whoever invents any new, original and **ornamental design for an article of manufacture** may obtain a patent therefor ...” *35 U.S.C. 171*. A “utility patent” protects the way an article is used and works, while a “design patent” protects the way an article looks.
- **Plant Patent** – “Whoever invents or discovers and **asexually reproduces any distinct and new variety of plant**, including cultivated sports, mutants, hybrids, and newly found seedlings, other than a tuber propagated plant or a plant found in an uncultivated state, may obtain a patent therefor, subject to the conditions and requirements of this title.” *35 U.S.C. 161*.

42

Provisional versus Nonprovisional

Provisional

- Filing fee – 100+50/200+50* (if 100 sheets or less)
- Less preparation time
- Can not amend
- No claims required
- Not examined
- Informal
- Valid for only 1 year; must timely file nonprovisional claiming priority

Nonprovisional

- Filing fee – 150+250+100+130/300+500 +200+130 (+size +excess claims)
- More preparation time
- Amendments are possible
- Must have at least 1 claim
- Examined
- More formal
- Application valid until abandoned or patent issued

43

Ownership

- Who is the owner of the patent?
 - **General Rule** – the inventor(s) each have equal rights to use the invention, with no duty to assign their invention to their employer. MPEP 301
 - **Exception** – most employers have their employees sign an invention assignment agreement as a condition of employment.
 - **Exception** – employees who have been hired to invent will likely be obligated to assign his/her rights to the employer, regardless of whether he/she signed an invention assignment agreement.

44

Joint Ownership

35 U.S.C. 262 Joint owners.

- In the absence of any agreement to the contrary, each of the joint owners of a patent may make, use, offer to sell, or sell the patented invention within the United States, or import the patented invention into the United States, **without the consent of and without accounting to the other owners.**

45

Patent Licensing

- Patents provide a **right to exclude** others from practicing a claimed invention
- To practice an invention, you must obtain a license to use any underlying rights
- Persons who want to utilize your improvement must obtain a license from you
- There is **no compulsory licensing** in the US, unless the invention relates to (i) air pollution control devices, (ii) atomic energy inventions, or (iii) new varieties of sexually reproduced plants.

46

Clearing Computer Software of Patent Issues

Often owners or licensees of computer may obtain appropriate opinions from patent counsel on issues involving:

- Infringement
- Patentability
- Validity
- Clearance
- Patent Due Diligence
- Enforceability

47

Concluding thoughts...

- Clear your trademark and seek trademark protection as soon as possible;
- Ensure copyright and patent ownership by having proper agreements in place;
- Properly maintain trade secret protection as appropriate;
- Determine whether filing for patent protection is worthwhile; and
- Obtain necessary opinions to make informed business decisions and minimize risk.

48

Questions?

49

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50



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51

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52