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Candyland – an IP Adventure Game!

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IP PROTECTION BASICS – IN CANDYLAND AND ELSEWHERE

The presentation accompanying this article focused on candies and the various areas of intellectual property ("IP") that can be used to protect those candies and their packaging. "Candyland" is a good area in which to study the different aspects of intellectual property, because there are many different avenues for protection requiring a variety of IP options. This article focuses on the basics of IP protection, unconnected to the world of candies, and provides a primer on the basics of the IP world. We will focus largely on United States laws, but of course IP laws can vary from country-to-country.

I. THE "HARD IP" – PATENTS AND TRADE SECRETS

A. Patents

Patents protect inventions, and they are grants of "property" rights to the inventor(s). There are, in the United States, three different types of patents – utility, plant, and design.

Utility patents protect any new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof. Less common "plant" patents are also available for inventions or discovery and asexual reproduction of new varieties of plants. The term of a utility patent or a plant patent is generally 20 years from the filing date of the patent application.

Design patents protect new, original, and ornamental designs for articles of manufacture. Design patents can only protect the appearance of an article of manufacture – any functional aspects of a design are the purview of utility patents. In the United States, design patents filed on or after May 13, 2015 have a 15-year term from the date of grant (earlier-filed applications have a 14-year term).

Patents grant the right to exclude others from directly making, using, offering for sale, selling or importing the invention described and claimed in the patent. Patents can also prevent certain "indirect" acts of infringement, such as inducing third parties to infringe (for example, if a cell phone company encourages its customers to use the phones in a manner that would infringe a patent) or contributing to infringement by supplying a non-staple component especially adapted for an infringing use (for example supplying a component specifically designed to be combined with another such that the combination is a patented invention). Patents do not, however, provide the patent owner the right to make, use, or sell the invention (a common misconception) -- aspects of the invention may be built upon and covered by earlier issued patents, for example, which could block use of the newer invention (by way of a somewhat silly example, a new, patentable folding chair may nonetheless still be covered by an earlier patent claiming a basic chair).

B. Trade Secrets

A trade secret protects valuable confidential information. While trade secret definitions can vary, in general, to qualify as a trade secret, the information must be a kept secret (generally unknown to the public), the owner must have taken reasonable measures to protect the trade secret from disclosure, and it must have independent value by virtue of not being generally known. As long as information meets the required criteria, there is no limit on the amount of time a trade secret is protected. An

example of a long-held trade secret is the recipe for Coca-Cola soda. Trade secret laws provide recourse in the event of misappropriation such as unauthorized acquisition, use or disclosure of such secret information.

C. Which Hard IP Should You Choose?

Some types of information are not appropriate for patent protection (e.g., customer lists, which might be protected by trade secrets). Other types of information, however, can be protected by either patents or trade secrets (e.g., internal and secret methods of manufacture). In those situations, which type of protection should you choose?

There are several important distinctions between trade secrets and patents. For example, patents require a detailed and enabling public disclosure about the invention in exchange for the right to exclude others from practicing the invention, whereas trade secret protection requires that the information be kept secret. Patents also have a limited duration, whereas trade secrets can be protected indefinitely so long as the requirements for protection are met. Patent rights may be enforced against an infringing third party even if the third party independently discovered the protected invention, whereas trade secret protection does not provide for any recourse in the event of independent discovery of the confidential information.

Ultimately, the decision on which type of "hard IP" protection to employ will be a fact-intensive inquiry and should be determined by consultation with experienced IP counsel, corporate strategists, and inventors. Generally speaking, if information might be obtained through reverse-engineering, then patents will provide a better option, as trade secret protection will provide no recourse or remedy to copiers who obtain the secret information through legal and legitimate means. On the other hand, if it is very unlikely that any third party could figure out your internal information or anything close, then trade secrets may provide the better protection as they can provide indefinite protection.

II. THE SOFT IP – TRADEMARKS, TRADE DRESS, AND COPYRIGHTS

A. Trademarks

Trademarks are used to distinguish one company's goods or services from those of another. Trademark ownership can be defined in two ways (i) by registration or (ii) by use in commerce. For example, in China, ownership of the mark is based on the first person/entity to register the trademark, so there is a race to register. However, in the United States, trademark rights stem from using the mark in commerce, not registration. Although registration is not required, the registered owner receives additional benefits if it registers the mark, and a registration certificate makes it easier to prove infringement in court. While trademarks are often thought of as words (e.g., Xerox) or symbols (e.g., the Nike Swoosh), they are not so limited and can include other indications of a product's origin (e.g., Boeing's number 747, or Owns-Corning's use of the color pink with insulation).

Regardless of the country of use, the strongest trademarks are those that are made-up and "fanciful" (like Xerox, a word that otherwise has no prior meaning) or everyday marks that are unique for the goods or services (e.g., APPLE for computers or music). Trademarks that describe or immediately

convey the nature of the goods or services or their uses are either not eligible for trademark protection at all or are given very limited protection.

Unfortunately, there is no universal trademark protection. With the exception of the European Union, trademark rights end at each country's borders. Thus, a company should consider where it is manufacturing and doing business, or intending to do business, when considering trademark protection in different countries.

A trademark is infringed if a third party's use of a mark creates a "likelihood of confusion," and infringement can lead to various potential forms of damages, including disgorgement of profits, actual damages, reasonable royalties, and attorneys' fees.

B. Trade Dress

Trade dress is a type of trademark protection that extends to the configuration (design and shape) of a product itself. Like a trademark, a product's trade dress can be protected. Trade dress is broad, it can include "the total image of a product," and it may include features such as size, shape, color or color combinations, texture, graphics or even particular sales techniques (e.g., the color brown for UPS or blue for TIFFANY jewelry). However, like a design patent, trade dress protection cannot be afforded to a functional aspect of the product design. The remedies for trade dress infringement are the same as for trademark infringement.

C. Copyright

A copyright protects original works of authorship provided the work is in a fixed form. Copyright protection can extend to designs, literary works, artistic works, architectural works and software, among other things. Copyright protection commences at the time a work is created in a fixed form and automatically becomes the property of the author/creator, unless the author assigns the work or there is a work made for hire agreement in place.

Since the creator of a copyright is the owner, companies should have their employees sign a work for hire agreement. A work for hire agreement generally governs work done by an employee or independent contractor during the course of employment.

Although copyright registration is not required in the U.S. to obtain protection, copyright owners cannot sue without first obtaining a registration. Accordingly, a copyright owner should seek copyright registration prior to publishing for all important works in order to obtain the best protection.

There are international treaties that cover copyright protection. Accordingly, U.S. copyrights may be protected in other countries via treaties. Accordingly, if your company is considering copyright protection in other countries, it should contact counsel in those countries for guidance. The length of copyright protection depends on if the work is owned by an individual author or is a work made for hire. In the United States, copyright protection for works created by individual authors is the life of the author plus an additional 70 years. Protection for works made for hire is the earliest of 95 years from the date of publication or 120 years from the date of creation.

III. CONCLUSION

Whether in the wonderful world of candies, or anything else, IP rights can provide protections for inventions, valuable company secrets, branding, works of authorship, and more. Knowing the various types of IP rights available, and what they protect, is invaluable to any in-house or outside counsel.