

# Guardians of the IP Law Galaxy: What Employment Lawyers Need to Know

By

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## I. THE IP LAW GALAXY

Intellectual property is what comes from your brain power (until the machines take over). It can be an idea, a conception, discovery, or invention. It can be a work of authorship such as a poem, a cool song, that novel you always wanted to write, or something as boring as a how-to manual. In the employment context, IP is the most valuable asset of a business. Most companies rely on the brain power of their employees. This is most true in the information age we live in – an age in which many assets are intangible.

It is because of its intangible nature that intellectual property can be slippery if nothing is done to protect it. When we share ideas, it benefits society, so there is a relationship between the value of your brain power and society getting to share your great ideas. But, just like the front door of your office, if you don't lock it, bad stuff can happen. And, the cops will probably say it was your fault for not being smart enough to get a lock, or change the key when you fired that bad apple. Our government (mostly federal, but some state) has created the locks and the keys to your IP front door. It is also important to recognize that IP is different from intellectual property rights; the two terms are not the same. Just because your brain can think it does not mean the government will protect those thoughts.

Under intellectual property law, if certain actions and precautions are taken (you lock the front door), IP is entitled to protection, and its owners are granted certain exclusive rights. For an employer, this is a big deal. It protects everything that an employee's brain thinks up (generally) that you paid for on that payroll check: discoveries and inventions; musical, literary, and artistic works; words, phrases, symbols, and designs used in commerce to indicate the source and quality of products or services; and information and ideas. Intellectual property rights protecting these intangible assets include copyright, patents, trademarks, industrial design rights, trade dress, and trade secret rights.

This article will cover the basics for employers, i.e., the different ways that someone will try to break in the front door. In addition to providing a survey of the basics of intellectual property law, this article will consider relevant aspects of the brand spanking new Defense of Trade Secrets Act, the most progressive trade secrets act passed in the last 70 years, the America Invents Act and best practices for dealing with non-producing entity (also known as patent assertion entity) lawsuits. We will also consider what about copyright law is most impactful to employers. Recognizing that branding is an important function of corporate marketing, we will consider the relevant trademark concerns.

## II. INTELLECTUAL PROPERTY: Intellectual Property and Intellectual Property Rights –Historical Development

Our founding fathers (some were inventors) wisely created IP rights in the Constitution. In Article I, Section 8:

The Congress shall have the power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

Congress then granted limited exclusive intellectual property rights in the form of patent and copyright rights to discoverers of inventions and authors of creative works, respectively. The end goal was to provide an incentive for inventors and authors to create and disclose their works, thereby building the country's IP and making the knowledge available for the public's benefit, mutually benefitting society and the patentee/copyright owner. Fundamental to this goal is the recognition that invention yields improvement, which results in more invention and spurs the progress of society, but only if that invention, improvement, and progress are available to others to stimulate their imagination, provide the seed for invention, and fuel competition. If laws protecting the developer of IP did not exist, disclosure and sharing by developers would be less likely because they would be fearful they would lose the commercial benefit of their creations if they could not exclude from taking them.

This concern was addressed internationally almost a century after the writing of the US Constitution. In 1873, afraid their ideas would be stolen and exploited commercially in other countries, foreign exhibitors refused to attend the International Exhibition of Inventions in Vienna. WIPO – A Brief History, WORLD INTELLECTUAL PROPERTY ORGANIZATION, <http://www.wipo.int/about-wipo/en/history.html>. This signaled the need for international protection of intellectual property. In 1883, the Paris Convention for the Protection of Industrial Property (the Paris Convention) was born in a year in which important intellectual property came into existence: Johannes Brahms was composing his third Symphony, Robert Louis Stevenson was writing *Treasure Island*, and John and Emily Roebling were completing construction of New York's Brooklyn Bridge. WIPO Treaties – General Information, WORLD INTELLECTUAL PROPERTY ORGANIZATION, <http://www.wipo.int/treaties/en/general/>.

In 1893, the convention merged with the Berne Convention for the Protection of Literary and Artistic Works (1886) (the Berne Convention) to protect works of authorship through copyrights. Id. In 1970, this organization became the World Intellectual Property Organization (WIPO), located in Geneva, currently having an impressive 185 member states, a staff of over 930 from 95 countries around the world, and a mission and mandate to administer intellectual property matters recognized by the member States of the United Nations. Id.

In the US, pursuant to the Constitutional license of Article I, Section 8, Congress enacted a system of centralized and federalized IP laws with the primary goal of promoting the progress of society. If not protected, IP has little to no value. IP's value develops from the exclusive right to use it, or, its corollary, the right to exclude others from it. Exclusive rights granted under IP laws allow creators of IP to benefit from their discoveries and creations. In 2013, the US Patent and Trademark Office claimed that the value of intellectual property to the US economy is more than \$5 trillion and creates employment for an estimated 18 million Americans. The value of IP internationally is considered similarly high in other developed nations, such as those in the European Union. THOMAS BOLLYKY, *Why Chemotherapy That Costs \$70,000 in the U.S. Costs \$2,500 in India* (Apr. 10, 2013), <http://www.theatlantic.com/health/archive/2013/04/why-chemotherapy-that-costs-70-000-in-the-us-costs-2-500-in-india/274847/>.

There is a positive correlation between strengthening an IP system and economic growth. See generally, MARK A. LEMLEY, *Property, Intellectual Property, and Free Riding*, STANFORD LAW SCHOOL, JOHN M. OLIN PROGRAM IN LAW AND ECONOMICS, WORKING PAPER NO. 291 (Aug. 2004), [http://philo.at/wiki/images/Lemly\\_property\\_free\\_riding.pdf](http://philo.at/wiki/images/Lemly_property_free_riding.pdf) (last visited Oct. 19, 2014). Economists have estimated that between one-half and two-thirds of the value of corporate market values in the US can be traced to intangible assets. BARUCH LEV, *Remarks on the Measurement, Valuation, and Reporting of Intangible Assets*, FRBNY ECONOMIC POLICY REVIEW (Sept. 2003) at 1, <http://people.stern.nyu.edu/adamodar/pdfiles/articles/LevonIntangibles.pdf> (last visited Oct. 19, 2014). While some may debate the amount of the value of IP to the US economy, most can agree that in countries with developed or developing IP systems, those systems more often than not result in an increase of intellectual capital, and competition is fostered.

So, protecting your client's front door is kind of a big deal. We employment lawyers and professionals are the first line of defense. In fact, we are the sentry at the gate because of the unique and complex dilemmas our clients face with the brain power created by employees.

### III. TYPES OF INTELLECTUAL PROPERTY RIGHTS

IP rights include patent rights, industrial design rights and design patent rights, copyright rights, and rights in trademarks, service marks, trade dress, and trade secret rights. There are other exclusive rights, such as circuit design rights protected by mask work rights, found in the copyright statute. 17 U.S.C.A. § 901 et seq. Each of these protects a distinct piece of IP by exclusively granting certain exclusive rights to that IP for a certain period of time or term of exclusivity, provided that substantive requirements for receiving such exclusivity are met. With their genesis in the US Constitution, patent and copyrights laws are federal laws. Trademark rights arise in both state and federal law, and rights in trade secrets arise under state law or a state's common law.

#### A. Trade Secrets

For years, the adjudication of trade secrets was controlled by state law under the Uniform Trade Secret Act that was adopted by most states. In Texas, the Uniform Trade Secrets Act (hereinafter "UTSA") was adopted in 2013. Texas altered the Act, however, the definition of trade secret remained mostly unchanged. Texas defines a trade secret as "information, including a formula, pattern, compilation, program, device, method, technique, process, financial data, or list of actual or potential customers or suppliers. [Tex. Civ. Prac. & Rem. Code Ann. § 134A.002\(6\)](#). On May 11, 2016, President Obama [signed](#) the Defend Trade Secrets Act (hereinafter "DTSA") completely changing the landscape of Trade Secrets on the federal level. *CSPAN: Defend Trade Secrets Act Signing* (CSPAN Broadcast May 11, 2016) (<http://www.c-span.org/video/?409435-1/president-obama-signs-trade-secrets-legislation>).

##### 1. Defend Trade Secrets Act

The [DTSA](#) is the most progressive Trade Secrets Law passed in the last seventy (70) years. Congress, <https://www.congress.gov/bill/114th-congress/senate-bill/1890/text> (last visited May 19, 2016). In a recent [House Report](#), Congress explained the necessity of a federal cause of action for trade secrets. The report cites that a federal cause of action is necessary because trade secret theft largely does not occur in one single state; instead, trade secret theft often covers multiple states. [H.R. Rep. No. 114-529, at 4 \(2016\)](#). Federal courts, moreover, are better equipped to hear cases that involve theft across state lines. Federal courts also provide victims of trade secret theft with the "certainty of rules, standards, and practices to stop trade secrets from winding up being disseminated and losing their value." *Id.* at 6 (2016). Understanding that federal courts can provide victims of misappropriated trade secrets quicker relief, members of Congress strongly agreed that the passage of the DTSA was necessary as shown by the Senate's 87-0 vote in favor of the DTSA becoming law.

The passage of the DTSA is important because, prior to the act becoming law, relief for misappropriated trade secret theft was largely left to the states and the UTSA. As previously stated, many states, including Texas, have adopted the UTSA, however; the UTSA only applies to states. The DTSA is a federal cause of action and has several noteworthy features that must be addressed.

a. Ex Parte Civil Seizure

The DTSA allows courts to order civil seizure, in circumstances, without the attendance of an opposing party. Thus without the participation of an employee, employers are now allowed to obtain misappropriated trade secrets by court order.

b. Definition of Trade Secret

The definition of trade secret codified in the UTSA differs from the definition of trade secret in the DTSA. The DTSA expands the definition of trade secret to include the following:

ALL forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing.

[18 U.S.C. § 1839\(3\)](#). This definition changes the landscape of trade secrets because the definition includes *ALL* business information. The catch all provision of all business information figures to allow more information to be considered trade secrets casting the gate wide open for trade secret causes of action to originate in federal court.

c. Statute of Limitations

The federal statute of limitations under the DTSA is 3 years.

d. Injunction

Former employees can be enjoined from working with competitors based *solely* on threatened misappropriation, and not simply based on what an employee knows. This means that employees can be stopped from working for competitors based on evidence of a threat of a misappropriation.

e. Whistleblower Protection

The DTSA protects individuals who disclose trade secrets believed to be a violation of the law, in confidence, to government officials. The DTSA also protects these individuals from both civil and criminal liability.

The DTSA, for the first time, provides a federal cause of action in a trade secrets case. Thus, the passing of the DTSA into law should place both employers and employees on high alert.

2. Protection of Company Information

As employees move to and from new companies, employers must take precautions to protect their company's proprietary information, inventions, client lists and any other confidential information that they hold valuable and is a game-changer in their business.

Here are a few things all HR professionals should review and consider to protect their company's proprietary information:

Take steps in the beginning to secure proprietary information and trade secrets through protective on-boarding and off-boarding strategies and workplace policies and procedures:

a. Review Offer Letters

Review your offer letters and ensure they contain information that the candidate is required to disclose to you (prospective new employer) any possible issues with non-competes, Non-solicitation, confidentiality and Non-disclosure agreements from the employer they are about to leave.

b. Review Employment Agreements

Review and update all employment agreements as well as all policies and procedures. Do you have and/or do you need the following:

- 1) Information Technology Resources Policy
- 2) BYOD (Bring Your Own Device) Agreement and Policy – Companies should not let employees use or their own device for work unless they have this in place and the company obtains the proper software to wipe the device clean when the company finds it necessary – upon termination, the device is lost or it is not being used for work purposes any longer
- 3) Employment Confidential Information and Invention Assignment Agreement
- 4) Security and Compliance Training
- 5) Equipment Issued Agreement
- 6) Return of Property Agreement

c. New Employees and IT

When you on-board new employees, make sure that you partner with IT. They are an integral partner in protecting the company's assets including the proprietary information. They need to help ensure that all agreements regarding equipment have been signed and the training has been done with the new employee regarding security and compliance of company property. This includes not allowing employees to haphazardly bring in thumb drives that are not company issued.

d. Communication with Former Employees

Communication is key with off-boarding employees. Do not wait to notify IT – **CONTACT THEM Immediately!** They have the ability to deactivate access immediately and you do not want a former employee to have access to your company's systems or information for a second once they are no longer on your team! Any amount of access can be detrimental to a company.

e. Train Managers

Train Managers to off-board properly. There will be times that you have to rely on your managers to conduct the exit of an employee be it a friendly departure or a termination. Never allow an employee to have access or download information from their computer before you walk them out of the door. If an employee asks if they can just get their personal pictures off their computer, best practice is to be understanding that they may have personal information that they need and let them know that while you cannot let them download it at this moment, you will have IT search for the files, pictures, data that they are asking for that is personal and you will have it sent to them. Even offer to have them provide a list of items they want. It will be the job of IT as well as HR to ensure that this is not confidential company or client data going out the door.

f. Follow-up with Former Employees

Follow-up with former employees after they have left employment and remind them of their obligations to hold confidential company information, and site the agreements they signed when they first began employment with you. You may also have to send them a cease and desist demand if you find them not fulfilling their obligations to the agreements that they previously agreed to.

## **B. Copyrights**

For Employers, Copyright is probably the second most important intellectual property right, especially in the “information world” of today because it protects expression or how something is expressed. All content on the internet including all literary works, all music, movies, photography, and art is protected by copyright rights. It is the intellectual property right mechanism that protects most of our current and contemporary technologies. Surely, the clients of a business law generalist owns works of authorship protectable by copyright rights. Copyright throughout the world is guided by treaty, The Berne Convention, which the US joined on March 1, 1989. See generally *WIPO - The Berne Convention for the Protection of Literary and Artistic Works*, WORLD INTELLECTUAL PROPERTY ORGANIZATION, [http://www.wipo.int/treaties/en/ip/berne/trtdocs\\_wo00\\_1.html](http://www.wipo.int/treaties/en/ip/berne/trtdocs_wo00_1.html) (last visited Oct. 19, 2014); *WIPO Administered Treaties – Contracting Parties*, WORLD INTELLECTUAL PROPERTY ORGANIZATION [http://www.wipo.int/treaties/en/ShowResults.jsp?treat\\_y\\_id=15](http://www.wipo.int/treaties/en/ShowResults.jsp?treat_y_id=15) (last visited Oct. 19, 2014). Because they are treaty-based and thus harmonized, all countries’ copyright laws are somewhat similar. The discussion below is limited to US copyright law.

1. The Requirements of Copyright Protection

Copyright laws protect original works of authorship that are fixed in any tangible media. 17 U.S.C.A. §102. The requirement of originality is that the work must be original to the author, i.e., that the purported author has not copied the work from another. *Feist Publ’ns v. Rural Tel. Serv.*, 499 U.S. 340, 345 (1991). It follows from this that two authors who independently come up with the same expression, expressed in the same way, are each entitled to copyright rights in the same work. *Peters v. West*, 692 F.3d 632, 633 (7th Cir. 2012) (“independent creation is a defense to copyright infringement”).

The phrase, “fixed in any tangible medium” means that the expression has been captured in a medium that is sufficiently permanent or stable such that the work can be “perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” 17 U.S.C.A. §101 (O’Connor’s Fed’l Intellectual Prop. Codes Plus (2014–15))[*United States Code Annotated*]; Cartoon Network LP v. CSC Holdings, Inc., 536 F.3d 121,127 (2d Cir. 2008). Fixation can be best explained by example: a work written down and even broadcasted through the airwaves is considered “fixed in any tangible medium,” however the spoken, unrecorded word is not fixed in a tangible medium. The most important thing to know about fixation, though, is that copyright protection springs into existence at the moment of fixing the original work in a tangible medium – nothing else is necessary for copyright rights to exist – not even the ubiquitous copyright legend or copyright registration. Montgomery v. Noga, 168 F.3d 1282, 1288 (11th Cir. 1999).

## 2. Subject Matter Eligible for Copyright Protection

The subject matter of copyright can be any one of an array of intellectual properties, among them, literary works (including software source code); musical works (including accompanying words); dramatic works (including accompanying music); choreographic works; pictorial, graphic, and sculptural works (including portraits and photographs); audio visual works (including motion pictures); sound recordings; and architectural works. 17 U.S.C.A. §102. Compilations, collections of existing works of authorship, such as a group of articles in a magazine, are also entitled to copyright protection, independently of the copyright in each of the articles. *Id.* at §103.

Copyright protects the expression of the work, and not the facts or ideas in the work. Feist Publ’ns v. Rural Tel. Serv., 499 U.S. 340, 349–350 (1991)(holding that names, towns, and telephone numbers from white pages in a phone book were uncopyrightable facts; there was no creativity in an alphabetical listing of names; and the “sweat of the brow” in creating the listing is not protected under copyright).

## 3. Exclusive Rights Under Copyright and Their Duration

A bundle of exclusive copyright rights are granted to owners of copyright. Predictably, the first right is the copy right – the right to copy the work; to reproduce it. The second right is the right to prepare derivative works based upon the work, i.e., modifications or adaptations of the copyrighted work. The third exclusive right is the right to distribute copies of the copyrighted work to the public by sale, or other transfer of ownership, or by rental, lease, or lending. The fourth right is the right to publicly perform the copyrighted work that is a literary, musical, dramatic, or choreographic work or a pantomime, motion picture or other audiovisual work. The fifth right is the right to publicly display the work that is a literary, musical, dramatic, or choreographic work or a pantomime or a pictorial, graphic, or sculptural work, including individual images of an audiovisual work. The sixth right is for sound recordings. It is the right to perform the copyrighted work publicly by digital audio transmission. 17 U.S.C.A. §10. These rights are called a bundle of rights because the author may assign or license one or more of these rights and retain other rights at his or her discretion. Columbia Pictures Indus. v. Redd Horne, Inc., 749 F.2d 154, 158 (3d Cir. 1984)(“Since the rights granted by §106 are separate and distinct, and are severable from one another, the grant of one does not waive any of the other exclusive rights.”).

The duration of copyright in the US, for works of authorship created post January 1, 1978, is the entire life of the author plus seventy years from the author's death (for joint authors, it is the life of the last surviving author). 17 U.S.C.A. §302(a) & (b) (O'Connor's Fed'l Intellectual Prop. Codes Plus (2014–15))[*United States Code Annotated*]. For "works made for hire," which are discussed below, the duration of copyright is the lesser of 95 years from publication or 120 years from creation. *Id.* at §302(c).

#### 4. Protecting Works of Authorship – Proper Assignment of Copyrights and Licensing

Copyright rights are owned by the author except for works made for hire, which are owned by the author's employer. *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 737–38 (1989) (describing elements of what it takes to be within the scope of employment, making it a work made for hire). A work made for hire is defined in the definitions section of United States Code as a work created by an employee within the scope of his or her employment, or one of several special types of commissioned works (a work specially ordered or commissioned for use as: a contribution to a collective work, a part of an audiovisual work, a translation, a supplementary work, a compilation, an instructional text, a test, answer material for a test, or an atlas, provided that the parties expressly agree in a written instrument that the work is considered a work made for hire). 17 U.S.C.A. §101.

As with patent rights, copyright rights can only be assigned by a proper written assignment. *Id.* at §204(a). Employers should not just depend on the definition of "work made for hire" to lock the door. Instead, the employment agreement should have a much better description of the IP rights involved, as well as an assignment:

"Employee **hereby assigns** to Employer all rights, title, and interest in and to all works of authorship that Employee creates while in the employ of Employer and in and to all copyrights in such works of authorship."

The language constitutes an assignment contemporaneous with the execution of the assignment, rather than an agreement to assign, which would not assign ownership until some indeterminate future date. Such language will ensure that the employer owns whatever works of authorship the employee creates, without fear that a court may later rule that the employee's works of authorship are not within the definition of "works made for hire." Therefore, do not use "Employee **agrees** to assign . . ." While assignments of copyright must be in writing, licensing is somewhat different. Only *exclusive* copyright licenses are required to be in writing. Non-exclusive copyright licenses may be oral and can therefore be implied. Implied license rights permit the exercise of certain rights under copyright law that arise from common usage and custom. 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 10.03[A], at 10-36 (1989); *I.A.E., Inc. v. Shaver*, 74 F.3d 768, 775 (7th Cir. 1996); *Effects Assocs., Inc. v. Cohen* 908 F.2d 555, 558–59 (1990)(holding that an implied license exists for a copyrighted work due to the plaintiff's conduct).

#### 5. Copyright Notice and Registration

The copyright notice is not required for copyright protection. 17 U.S.C.A. §401 ("a notice of copyright as provided in this section *may* be placed on publicly distributed copies from which the work can be visually perceived." [emphasis provided]). To avoid a defense of innocent infringement,

it is, however, a good idea to do it. *Id.* at §401(d)(“If a notice of copyright ... appears on the published copy ... no weight shall be given to such a defendant’s interposition of a defense based on innocent infringement in mitigation of actual or statutory damages”).

#### 6. Remedies for Copyright Infringement - Damages

When copyright is enforced, it is as a civil matter, although criminal sanctions may apply in some cases. Infringement requires proof (1) of ownership of a valid copyright, (2) of factual copying of original elements of the copyrighted work by direct or circumstantial evidence, and (3) that the allegedly infringing work is “substantially similar” to the copyrighted work. Armour v. Knowles, 512 F.3d 147, 152 (5th Cir. 2007). The required test in the Fifth Circuit is whether the intended audience would find the total concept and feel of the two works to be substantially similar, and a side-by-side comparison of the two works is mandated. Positive Black Talk Inc. v. Cash Money Records Inc., 394 F.3d 357, 373–74 (5th Cir. 2004). Similarity must be probative of copying. Peters v. West, 692 F.3d 629, 632–34 (7th Cir. 2012). In assessing similarity, whether the allegedly infringing author had access to the allegedly infringed work is an important consideration. *Id.* (“Similarity that is so close as to be highly unlikely to have been an accident of independent creation is evidence of access.”). Once copying is established, an assessment of whether the copying was substantial must be made. This involves looking at how much was copied and whether the copying was of “qualitative importance to the entirety of the copyrighted work.” R. Ready Prods., Inc. v. Cantrell, 85 F. Supp. 2d 672, 683 (S.D. Tex. 2000).

Remedies for proven copyright infringement can be injunctions under Section 502 of 17 United States Code, impounding of infringing copyrighted articles, under Section 503, and either actual damages and profits under Section 504(b), or statutory damages under Section 504(c). An infringer of copyright is liable for (1) actual damages suffered by the copyright owner as a result of the infringement and any profits of the infringer that are attributable to the infringement and not already included in the actual damages, or (2) statutory damages. 17 U.S.C.A. §504(a). To establish the profits, the copyright owner is required to present proof only of the infringer’s gross revenue, and the infringer is required to prove her deductible expenses and the elements of profit attributable to factors other than the copyrighted work. *Id.* at §504(b).

As for statutory damages, the copyright owner may instead of actual damages and profits choose statutory damages in a sum of not less than

- \$750 or more than \$30,000 for each work infringed upon, as the court considers just. *Id.* at §504(c)(1). If the court determines that the copyright infringement was willful, the court in its discretion may increase the award of statutory damages to a sum of not more than
- \$150,000, but instead, if the court finds that the infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its discretion may reduce the award of statutory damages to a sum of not less than
- \$200. *Id.* at §504(c)(2). In certain cases, the court may consider the infringer’s belief that his or her use of the copyrighted work was a fair use under section 107 of 17 United States Code. *Id.*

## 7. Fair Use of Copyrighted Works

The grant of protection through copyright is a balancing act of what is fair and what is not. Section 107 of the Digital Millennium Copyright Act acknowledges this by including such a provision, permitting copying of works that qualify as fair use within its provisions. Fair use of another's exclusive right in a copyrighted work is assessed by evaluating four factors:

- a. The first factor is the purpose of the use. Uses of a copyrighted work for purposes such as criticism, comment, news reporting, teaching, scholarship, or research cannot constitute copyright infringement. 17 U.S.C.A. §107. This factor recognizes that a work transformative of the allegedly infringed work may be acceptable fair use. An example of a transformative work could be a work that is a parody of the work allegedly infringed. The rationale is that such a work is considered a new work and as such, enlarges the body of works of authorship for the benefit of society, whereas mere copying of the original work does not. Campbell v. Accuff-Rose Music, Inc., 510 U.S. 569, 578–79 (1994).
- b. The second factor considers the nature of the original work, i.e., the value (in a creative sense) of the work that was infringed. This factor recognizes that facts and ideas are not protectable; only their expression is. This factor also considers that there are works that naturally have “thin” copyright protection. *Id.* at 586 (“This factor calls for recognition that some works are closer to the core of intended copyright protection than others”). An example of a work that could have thin copyright protection is a form document requesting “Print Name,” “Address,” “Phone Number,” etc. or an operations manual that states “turn valve handle 3 times, read dial, and verify that reading does not exceed 1000 degrees.”
- c. The third factor evaluates the amount and substantiality of the portion of the work used as compared to the copyrighted work as a whole. *Id.* at 588. *Deminis* copying is much more likely to be considered fair use as opposed to wholesale copying of a work, unless, of course the small amount copied is the most important part of the work infringed upon. See Harper & Row, Publ'rs v. Nation Enters., 471 U.S. 539, 565–66 (1985).
- d. The fourth factor is an inquiry into the effect of the use upon the potential market or value of the copyrighted work. Accuff-Rose Music, Inc., 510 U.S. 569, 590 (1994)(this factor requires courts to consider “whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantial adverse impact on the potential market for the original”).

### **C. Brands & Logos – Trademarks, Service Marks**

Trademarks and service marks are recognizable words, designs, or expressions that identify and distinguish products or services to be of a particular source from those of others. Trademarks assist consumers in identifying the source or origin of products or services and also intimate to the consumer the level of quality of a product. (Even small children recognize the golden arches logo of McDonalds, and even the least perceptive of us recognize the level of quality associated with beverages marked with the Coca-Cola trademark as opposed to those that are the local

supermarket's generic brand of cola). Any business that markets products under its brands and logos must have counsel who knows trademark law.

## 1. Subject Matter of Trademark

A trademark and a service mark can be a word, phrase, logo, sound, color, and even an odor that identifies or distinguishes goods or services from their manufacturer or vendor from those of other manufacturers or vendors and indicate the goods' or services' source in the marketplace (even if their source is unknown). 15 U.S.C.A. §1127 (O'Connor's Fed'l Intellectual Prop. Codes Plus (2014-15)) [United States Code Annotated]. Similarly, trade dress generally refers to characteristics of the visual appearance of a product, its packaging, or even a building's decor, including size, shape, color, graphics, and even sales techniques, indicating to a consumer that what is offered is from a single source. Wal-Mart Stores v. Samara Bros., 529 U.S. 205, 211 (2000) ("the very purpose of attaching a particular word to a product, or encasing it in a distinctive packaging, is most often to identify the source of the product."); Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 764 n.1 (1992). As examples of trade dress, the shape of a bottle of vodka; the shape, color, and arrangement of the materials in a line of shoes; and a brightly-colored festive building decor can each be protectable trade dress. Two Pesos, Inc., 505 U.S. 763, 764 (1992) ("trade dress which is inherently distinctive is protectable under [the Lanham (Trademark) Act] . . ."). What is not protectable under either trademark or trade dress, however, are the functional aspects of the aforementioned bottle, shoes, and building. Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111, 122 (1938) (denying trade dress protection for the pillow shape of Shredded Wheat cereal because it was held to be functional).

## 2. Rights in Trademarks

Under US law, trademarks, service marks, and trade dress are legally protected by the federal statute, the Lanham Act, which is codified at 15 United States Code Section 1051 et seq. This Act regulates trademarks, service marks, and trade dress. Trademark and trade dress rights protect consumers who might purchase a product under the mistaken belief that it is from a certain manufacturing vendor when it in fact is from a different vendor. A trademark may be located on marketing materials, such as a sign, packaging, label, or voucher, or on the product itself.

In the US, rights in marks are garnered under common law, through mere use of the mark in commerce (i.e., registration is not required). "Common law rights arise from actual use of a mark and may allow the common law user to successfully challenge a registration or application." uspto.GOV, Frequently Asked Questions about Trademarks—What are "common law" rights?, [http://www.uspto.gov/faq/trademarks.jsp#\\_Toc27542\\_6712](http://www.uspto.gov/faq/trademarks.jsp#_Toc27542_6712) (last visited Oct. 19, 2014). One case sets out a four-part test to determine whether a mark has garnered common law protection in a market by measuring the market penetration of a trademark. The test considers (1) sales volume of the trademarked product; (2) growth trends in the geographic area; (3) the ratio of actual purchasers of the product as compared to the number of potential customers; and (4) the amount of product advertising in the area. Lucent Info. Mgt, Inc.. v. Lucent Techs., Inc., 186 F.3d 311, 317 (3d Cir. 1999).

a. Protection of Brands and Logos

Marks may best be protected by registering with the US Patent and Trademark Office (USPTO). Generally speaking, a mark can be registered with the USPTO if the mark does not resemble an already-registered mark or a previously-used mark (under common law) as to be likely to create confusion in the marketplace with regard to the source of the goods or services. 15 U.S.C.A. §1052(d) (O'Connor's Fed'l Intellectual Prop. Codes Plus (2014-15))[United States Code Annotated]; Id. at §1053. Likelihood of confusion can arise when the same mark, or one similarly sounding or looking, is used on the same (or similar) goods or services to those the trademark owner offers under such mark.

b. Duration of Trademark Registrations

The duration of a US trademark registration can be as long as the mark is used in commerce, the required affidavits of use are filed and the required fees are paid. Specifically, US registrations for trademarks are good for ten years, provided that the registrant files affidavits of continued use within the one-year period immediately preceding the expiration of six years following the date of registration or the date of the publication and within the one-year period immediately preceding the expiration of ten years following the date of registration, and each successive ten-year period following the date of registrations. U.S.C.A. §1058(a)(1),(2).

c. Strength

When we talk about selecting a trademark or service mark, we should consider the strength of the mark we select. Marks are graded by their strengths: Famous, Coined, Arbitrary, Suggestive, Descriptive, and Generic. Examples of the strongest marks, famous marks, are "McDonalds" and "Coca-Cola". Owners of such marks are able to keep others from diluting their mark. Dilution is a trademark concept that gives owners of famous marks standing to forbid others from using a mark similar to the famous mark on goods or services in a way that would lessen the famous mark's distinctiveness, regardless of whether such goods or services (1) are not the same as the mark's owner's goods or services, or (2) do not compete with and have little connection with, those of the trademark owner. 15 U.S.C.A. §1125(c)(2)(B) [United States Code Annotated]. For example, by convincing the court that its mark was famous, McDonalds was able to block the use of the mark "McSleep" for hotel services. Quality Inns Intern., Inc. v. McDonald's Corp., 695 F. Supp. 198, 221 (D. Md. 1988).

Coined marks are the next strongest. Coined marks are words that have no dictionary meaning, such as "Exxon" or "Kodak." Tumblebus Inc. v. Cranmer, 399 F.3d 754,761, n.7 (6th Cir. 2005). Companies spend a lot of money trying to come up with coined trademarks because they are considered so strong. In the next category are arbitrary marks, words used as marks out of context, for example, "Apple" for computers or musical recordings and "Camel" for cigarettes. Id. at n.6. The next strength category is suggestive. Suggestive marks suggest the product or its qualities, such as "Coppertone" for sunscreen. Id. at n.5.

Descriptive is the next category. Descriptive marks are the weakest marks and describe the product or identify a characteristic of the product. Id. at n.8. An example might be the use of the word Hamburger in commerce as a mark to sell hamburgers. It is unlikely that any trademark office

would allow the word “hamburgers” to be taken out of the lexicon of common usage in favor of the exclusive use of a single owner. As such, descriptive marks have no strength until they survive a lengthy period of existence in the marketplace and achieve what is called “secondary meaning” apart from the goods/services described. An example of a mark that has achieved secondary meaning is “Holiday Inn” for hotel services.

Generic is the last category, and marks in this category have no strength. Generic marks are marks that have fallen into the public domain, such as “formica” or “nylon,” words which were once trademarks, but lost their protection due to their owners’ failure to maintain such marks’ strengths. INTA – Fact Sheets, Types of Protection – Trademarks vs. Generic Terms, International Trademark Association, <http://www.inta.org/TrademarkBasics/FactSheets/Pages/TrademarksVsGenericTermsFactSheet.aspx> (last visited Oct. 19, 2014); INTA – Fact Sheets, Protecting a Trademark - Loss of Trademark Rights - 7. How else may trade-mark rights be lost?-Genericide, INTERNATIONAL TRADEMARK ASSOC’N, <http://www.inta.org/TrademarkBasics/FactSheets/Pages/LossofTrademarkRightsFactSheet.aspx> (last visited Oct. 19, 2014).

A trademark owner must strive to protect her brands and marks in order to maintain their value. Among the most important things a trademark owner can do to maintain a mark’s strength are the following:

- 1) Consistently police the mark and require that infringer cease and desists uses of the mark itself or marks that are similar-sounding or looking,
- 2) Use of the mark properly, i.e., in a trademark sense, and
- 3) Provide consumers and others who would infringe the mark, notice of registration

Policing the mark to become aware of another’s use of it or similar marks on similar goods or services is imperative because as mentioned above, mere use of a mark garners rights in it under the common law. See Section III.C.2 of this article. Under the equitable defense of “laches,” failure to act against an infringer will erode the owner’s right to use the mark exclusively. The below explanation with cites to Texas and Fifth Circuit cases is instructional and informative. “Laches” is defined as an inexcusable delay that results in prejudice to a defendant. Abraham v. Alpha Chi Omega, 796 F. Supp. 2d 837, 846 (N.D. Tex. 2011). The claim can be raised as an equitable defense available for those alleged infringers who lack the requisite “bad faith intent to capitalize on the markholder’s [goodwill].” Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co., 550 F.3d 465, 490 (5th Cir. 2008). Thus, to establish a “laches” defense, the defendant has the burden to show:

- 1) [plaintiff’s] delay in asserting one’s trademark rights;
- 2) [plaintiff’s] lack of excuse for the delay, and
- 3) Undue prejudice to the alleged infringer caused by the delay

Id. at 489–90. In so analyzing the defense, courts in the Fifth Circuit take a “totality of the circumstances” approach by making factual inquiries regarding “the combined effect of the [p]laintiff’s delay and the prejudice resulting to the [d]efendant[ ].” New Century Fin., Inc. v. New Century Fin. Corp., No. C-04-437, 2005 WL 2453204, at \*10 (S.D.Tex. Oct. 4, 2005). Factual

insufficiencies in any one of the three prongs will prove fatal to the defendant's assertion of the affirmative defense. Jacks, Tom & Sokatch, John. *Good Things Do Not Always Come to Those Who Wait: The Use of the Laches Defense in 5th Circuit Trademark Litigation*. The Intellectual Property Business Blog. Chalker Flores, LLP, 16 April 2013, <http://chalkerflores.wordpress.com/2013/04/16/the-use-of-the-laches-defense-in-5th-circuit-trademark-litigation-2/> (last visited Oct. 19, 2014).

Policing requires the owner to initiate efforts to become aware of others' uses of its marks and then acting on that knowledge. Efforts should include the following:

- 1) looking out for uses of the mark online, in magazines, or in other sources of content;
- 2) sending cease and desist letters to have the infringer get off the mark;
- 3) contracting a watch service to report whenever a third party attempts to file for registration of the mark itself or a similar- looking or sounding mark; and
- 4) filing an opposition or notice of cancellation action against the attempted registration in the trademark office (provided the filer is certain he or she has prior rights).

INTA – Fact Sheets, Protecting a Trademark - Loss of Trademark Rights - 7. How else may trademark rights to be lost? Failure to Police, International Trademark Association, <http://www.inta.org/TrademarkBasics/FactSheets/Pages/LossofTrademarkRightsFactSheet.aspx> (last visited Oct. 19, 2014).

Using the mark properly requires that the trademark owner herself use (and police the use of) the mark as an adjective rather than as a noun, e.g., "Kleenex tissues," rather than "a Kleenex." Id. Also, proper use means giving notice of ownership and registration through a "trademark attribution statement" in close proximity to the appearance of the mark. 15 U.S.C.A. §1111 (O'Connor's Fed'l Intellectual Prop. Codes Plus (2014-15)) [United States Code Annotated]. A trademark attribution statement reads as follows:

Acme and the Acme logo are trademarks owned by Acme Company, Inc. and are registered in the U.S. Patent and Trademark Office and may be registered in other countries.

Giving notice of registration or intended registration can also be accomplished by using the symbol ® with marks that have achieved registration in the jurisdiction in which they are being used or the symbol ™ (in the US only) for marks in which common law rights are asserted (i.e., those that have not been registered) or those for which trademark registration is pending. Id. Very best practices would have the ® (or ™) symbol used on each and every appearance of a mark in text, but best practices and practicality would have such symbols appear next to the mark when it appears in the title of a document and only in the first appearance of the mark within the text of the document. See INTA, A Guide to Proper Trademark Use, INTERNATIONAL TRADEMARK ASSOCIATION, [http://www.inta.org/Media/Documents/2012\\_TMUse\\_MediaInternetPublishing.pdf](http://www.inta.org/Media/Documents/2012_TMUse_MediaInternetPublishing.pdf) (last visited Oct. 19, 2014). Failure to give such notice of registration (either through symbols or trademark attribution statement) will result in no profits or damages recovery for the plaintiff of a trademark infringement suit. 15 U.S.C.A. §1111.

d. Trademark Infringement and Remedies

Trademark infringement occurs by the non-registrant (1) using in commerce the registered mark in connection with the sale, offering for sale, distribution, or advertising of goods or services when such use is likely to cause confusion, mistake, or deception; or (2) applying a reproduction, copy, or counterfeit of the registered mark onto labels, signs, packaging, or advertisements intended to be used in commerce in connection with the sale, offering for sale, distribution, or advertising of goods or services in a way likely to cause confusion, mistake, or deception. 15 U.S.C.A. §1114(1).

In order not to infringe on others' trademarks, the selection of a new, desired mark requires that a trademark search be performed, to discover whether the mark is available. Trademark searches are performed by vendors that provide such services and should be analyzed by experienced trademark attorneys, who can properly advise and render written opinions as to the availability of a new mark. These searches would best be performed prior to an investment in marketing collateral, literature, signs, packaging, and websites displaying the mark.

In the US, the registered trademark owner's incontestable rights can be enforced by way of an action for trademark infringement. 15 U.S.C.A. § 1114. Unregistered trademark rights may be enforced pursuant to the common law tort of passing off. Generally speaking, a mark's owner can exclude others from using the owner's mark on goods or services that create a likelihood of or an actual confusion in the marketplace as to the source of the goods or services. 15 U.S.C.A. §1114(1). The factors considered in establishing a likelihood of confusion are the following:

- 1) the strength of the mark that was registered first;
- 2) how related the goods or services are;
- 3) the similarity of the marks;
- 4) evidence of actual confusion;
- 5) marketing channels used;
- 6) likely degree of purchaser care;
- 7) the intent of the defendant in selecting the mark; and
- 8) likelihood of expansion of the product lines.

Leelanau Wine Cellars, Ltd. v. Black & Red, Inc., 502 F.3d 504, 515 (6th Cir. 2007).

For a successful trademark infringement action, the plaintiff is entitled to the defendant's profits, any damages sustained by the plaintiff, and the costs of the action, as determined by the court. 15 U.S.C.A. §1117(a). For successful actions involving counterfeit marks, the court may award the greater of the amount of profit or the amount of damages. *Id.* at §1117(b). In such cases, the plaintiff may opt for statutory damages instead of actual damages and profits in the amount of not less than \$1000 or more than \$200,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed. If the court finds that use of the counterfeit mark was willful, the court can award not more than \$2,000,000 per counterfeit mark per type of goods or services sold, offered for sale or distributed. *Id.* at §1117(d). Violations involving the use of a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services, are also eligible upon ex parte application for an order providing for the seizure of goods and counterfeit marks, the means of making such marks, and the records related to the violation. *Id.* at §1116(d). Such seizures

involve armed federal marshals who perform raids of warehouses and other storage locations to seize such items. Protection of brands and logos means protection of trademarks and service marks. Following the above best practices may achieve this for your client.

### C. Patents

Patents protect inventions, discoveries, and conceptions. Patents are jurisdictional, i.e., a US patent grants exclusive rights only in the US and addresses infringement only within the confines of the US.

#### 1. Exclusive rights Under Patents

In the US, a patent is a government-granted “limited” exclusive right granted to the inventor to exclude others from making, using, offering for sale, or selling the patented invention within the US, or importing the patented invention into the US. 35 U.S.C.A. §271(a). Whoever, without authority from the inventor, exercises any one of this set of exclusive rights, whether knowingly or unknowingly, infringes the patent. *Id.* While knowledge of the infringement is generally not necessary, there are two other provisions of Section 271 for which knowledge is a consideration in the assessment of liability. Under Section 271(b), anyone who actively induces infringement of a patent is liable for the infringement. Active inducement requires that there be some knowledge of the patent and intent to infringe. See *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 760–61 (2011). On June 2, 2014, the Supreme Court considered liability for inducement of infringement under Section 271(b) and decided whether a party can be liable for patent infringement under 35 U.S.C. § 271(b) where it neither performs every step of the patent nor induces another party to perform every step of the patent, but rather performs some steps and knowingly induces another party to perform the remaining steps. *Limelight Networks, Inc. v. Akamai Technologies, Inc.*, 572 S. Ct. 895 (2014) p. 1 of 13 <http://www.law.cornell.edu/supct/pdf/12-786.pdf> (last visited Oct. 19, 2014). The Supreme Court’s decision conclusively requires that “liability for inducement must be predicated on direct infringement.” *Id.* *Limelight* holds that no infringement of a patented method exists unless the performance of all the patent’s steps is done by a single actor.

Additionally, someone is liable for contributory infringement of a patent when he or she offers to sell or sells or imports a component of a patented invention, where such component constitutes “a material part of the invention,” if he or she knows that the component is especially made or adapted for such infringement, and the component does not have “substantial non-infringing use.” 35 U.S.C.A. §271(c).

#### 2. Inventions That Are Entitled to Patent Protection Under the AIA

Leveraging the America Invents Act requires that the general practitioner know what inventions are entitled to protection under this Act. The America Invents Act was the first major patent law reform since 1952 and was signed into law on September 16, 2011, with all provisions becoming effective on March 16, 2013. The AIA harmonized US law with other countries’ laws by changing the first-to-invent patent system into a first-to-file system/first to disclose system. Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (to be codified in scattered sections of 35 U.S.C.). Historically, in the US, the person entitled to a patent has been the first to

invent, however this was changed by the America Invents Act, which provides that the person entitled to a patent is the first to file for patent protection. After March 16, 2013, a person is entitled to a patent for inventions that are not (a) already patented, described in a printed publication, in public use, on sale, or otherwise available to the public prior to the date of filing of the claimed invention; or (b) described in a patent or published patent application filed prior to the date of filing of the claimed invention, which patent or application names another as inventor. 35 U.S.C.A. §102(a) (O'Connor's Fed'l Intellectual Prop. Codes Plus (2014-15)) [*United States Code Annotated*]. Exceptions to (a) and (b) above are *disclosures* within twelve months of the filing date of the claimed invention by the inventor or someone else who obtained the subject matter from the inventor if it was made by the inventor or that were prior public disclosures of the inventor. *Id.* at §102(b). However, failure to act to seek and obtain a patent in a timely manner or failing to adequately cover the invention in a well-written patent application meeting all the requirements of a patent, can mean a loss of rights to the inventor in favor of the public domain.

a. Subject Matter of Patentable Inventions

In the US, the subject matter of a patentable invention can be an apparatus (e.g., something with moving parts like a pair of scissors); an article of manufacture (e.g., something without moving parts like a hammer); a compound (e.g., glue); a process or a method (e.g., how to make the glue); and an improvement of the foregoing. 35 U.S.C.A. §101. There are judicial exceptions to patent-eligible subject matter, i.e., laws of nature, abstract ideas, natural phenomena, and mathematical algorithms and formulas, which are not entitled to patents. Mayo Collaborative Servs. DBA Mayo Med'l Labs. v. Prometheus Labs., Inc., 132 S. Ct. 1289, 1293–94, 101 U.S.P.Q.2d 1961, 1965 (2012).

In 2013, the question of what inventions are eligible for patent protection came into national focus in the Alice v. CLS Bank case, which was the subject of another Supreme Court decision. Alice Corp. Pty. Ltd. v. CLS Bank Int'l., 134 S. Ct. 2347 (2014). In Alice, the claims at issue related to mitigating “settlement risk” in a financial transaction by using a computer system as a third-party intermediary. The risk being mitigated was the risk that only one party would satisfy its part of the bargain. In essence, the invention related to “employing a neutral intermediary to facilitate simultaneous exchange of obligations in order to minimize risk.” The question answered by the Supreme Court is whether the claims were patent ineligible because they were directed to an abstract idea. The court set itself the task of distinguishing between patents that claim the building blocks of human ingenuity and those that integrate the building blocks into something more, thereby transforming them into a patent-eligible invention. *Id.* (citing Mayo, 132 S. Ct. 1289, 1293–94). The Court recognized that granting patent exclusivity to the use of the building blocks of human ingenuity “would risk disproportionately tying up the use of the underlying” ideas and therefore should be ineligible for patent protection. Ultimately, the Court held the intermediated settlement method was ineligible subject matter as an abstract idea and that the introduction of a computer to perform the method did not add anything of substance to make the abstract idea patent-eligible under Section 101.

b. Requirements of a Patent

To have a patent grant, the invention described in the patent must be useful, novel (that is, not known before its invention), and not obvious to a person skilled in the art of the invention's technology. Novelty is evaluated by 35 U.S.C. Section 102 and non-obviousness by Section 103.

Another requirement is that the inventor publicly disclose in the patent a description of the invention, in sufficient detail to enable others to practice the invention, and set out the best mode of practicing it, i.e., teach others to use it. This is done by way of a specification that contains a written description of the invention and the manner of making and using it, sufficiently clear such that a person skilled in the art will be enabled to practice the invention. 35 U.S.C.A. §112(a). The specification concludes with one or more claims that define the metes and bounds of the invention, which must be narrowed and limited by existing prior art. *Id.* at §112(b). If the patent application is not novel or is obvious, it is the job of the examiner at the patent office to rein in the claimed disclosure into novel and non-obvious territory. See USPTO.GOV - MANUAL OF PATENT EXAMINING PROCEDURE, §2171, <http://www.uspto.gov/web/offices/pac/mpep/s2171.html> (last visited Oct. 19, 2014).

c. Duration of Patent Term

There are various kinds of patents with their own term or duration. Utility patents protect useful inventions for 20 years from filing. 35 U.S.C.A. §154(a)(2). Any patent office examination to narrow the claims eats into this term. See *id.* at §154(b). Design patents, discussed below, protect new, original, and strictly ornamental and non-functional aspects of a design for an article of manufacture for 15 years from grant. *Id.* at §173. Plant patents, which have a term of 20 years from filing, can issue for new, distinct, invented, or discovered asexually-reproduced varieties of plant, including cultivated sports, mutants, hybrids, and newly-found seedlings, other than a tuber-propagated plants. *Id.* at §161.

d. Infringement of Patents and Remedies

The infringement of a patent can result in various remedies and damages, however, the eligibility for damages requires the filing of a patent infringement lawsuit. Filing a lawsuit is a costly endeavor, not only in terms of expenses, but also in terms of resources expended and diligence required by the patentee or her assignee. Patent infringement lawsuits are often filed by non-producing entities, also known as patent assertion entities. A best practices response to assertions of NPE lawsuits is something a generalist might need to have.

e. Damages in a Patent Infringement Lawsuit.

To exclude others from practicing an invention, the inventor or her assignee must obtain a patent in each country, or, practically and for economy's-sake, in a subset of countries whose markets are of interest to her. Infringement of patents requires the patentee to prove that every element of a patent claim is infringed. *Cross Med. Prods. v. Medtronic Sofamor Danek, Inc.*, 424 F.3d 1293, 1311–12, 76 U.S.P.Q.2d 1662, 1676 (Fed. Cir. 2005) (“To infringe an apparatus claim, the device must meet all of the structural limitations.”).

Damages are by civil action filed in federal court. 35 U.S.C.A. §281 (O'Connor's Fed'l Intellectual Prop. Codes Plus (2014-15))[*United States Code Annotated*]. Damages awarded shall be adequate to compensate for the infringement, but no less than a reasonable royalty for the use of the patented invention, plus interest and costs. Id. at §284. Infringement is actionable, whether the infringer has knowledge that the infringement is happening or not. Florida Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank, 527 U.S. 627, 645, 51 U.S.P.Q.2d 1081, 1089 (1999) (“Actions predicated on direct patent infringement . . . do not require any showing of intent to infringe; instead, knowledge and intent are considered only with respect to damages.”). Willful, knowing infringement, however, can result in the award of triple damages. 35 U.S.C.A. §284 (O'Connor's Fed'l Intellectual Prop. Codes Plus (2014-15))[*United States Code Annotated*]. Injunction to prevent the violation of patent is also available. Id. at §283. Alleged infringers can defend themselves by proving that they do not infringe or that the patent claim asserted is invalid because it did not meet the requirements of novelty and non-obviousness at the time it was invented. Another defense is that the patent is invalid due to the inventor not having been entitled to a patent because he/she committed misconduct in the prosecution of the patent in front of the patent office, for example, by omitting known prior art, which the inventor and his or her counsel are required to bring to the attention of the patent examiner. Id. at §282.

The acquisition of patents and patent infringement litigation are costly, highly-specialized, and resource-intensive activities, but a patentee can be rewarded by chilling his/her competitors' practice of the invention by filing a patent application, which, unless the applicant requests otherwise, is published 18 months after filing the patent application. U.S.C.A. §122(b)(1) and (b)(2)(B)(i) (O'Connor's Fed'l Intellectual Prop. Codes Plus (2014-15))[*United States Code Annotated*]. A prevailing patentee-litigant can be well compensated by being granted an injunction against an infringer's continued infringement and/or a damages award in the form of royalties. However, failure to act to assert patent rights and file a patent infringement action within six years of the commencement of infringement can result in a loss of the right to claim damages under the equitable doctrine of laches. Id. at §286.

#### **IV. CONCLUSION**

Like the protagonist in the movie, *Guardians of the Galaxy*, your clients need you to make sure you get their stuff back. Employment lawyers are almost always in the best situation to ensure that the very best evidence is obtained and the right people are involved to get it back. We hope this brief paper helps provide you some tools to live up to your new title of Guardian of the IP Law Galaxy. As a final note, we would like to put out a plug for the wonderful [www.TexasBarCle.com](http://www.TexasBarCle.com) service that provides current research and insight to assist you in your future battles. The service compiles tons of CLE articles and will allow you to keep abreast of new developments in the law for way less than a laser blaster.