

Intellectual Property and InfoSec

Presented at the Johns Hopkins
University

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The obligatory “agenda” slide

- Patents
- Trademarks
- Trade secret
- Copyright
- Fair use
- Analysis of cases
- DMCA

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And in the beginning...

- **U.S. Constitution: Article 1, Section 8, Clause 8**
 - “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”

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PATENTS

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Topics

- What Is a Patent?
- Why Do Patents Matter?
- Reading a Patent
- Getting a Patent
- Avoiding Competitors' Patents
- Using Your Patents

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What is a Patent?

- **A Right to Exclude Others:**
 - Making, Using, Selling, Importing
 - Territorial - US patents cover the US only
 - Time-limited (20 years)
- **NOT a Right to Practice the Invention**
 - Prior patents can dominate newer patents

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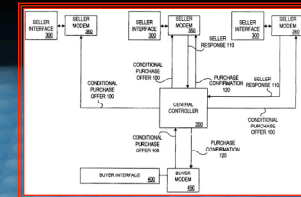
Why Do Patents Matter?

- Stop Competitive Products
 - Licensing Revenue
 - Cross-License
- Investors Like Them

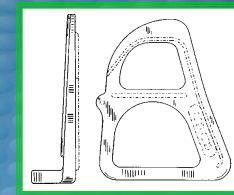
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Patents: Two Types

■ Utility Patents Functional Features



• Design Patents Ornamental Features



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Utility Patents: What's Patentable?

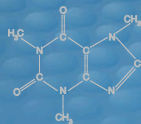
■ Products



● Processes



● Compositions



● “Business Methods”

- Priceline.com
- Amazon.com's 1-Click

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Reading A Patent

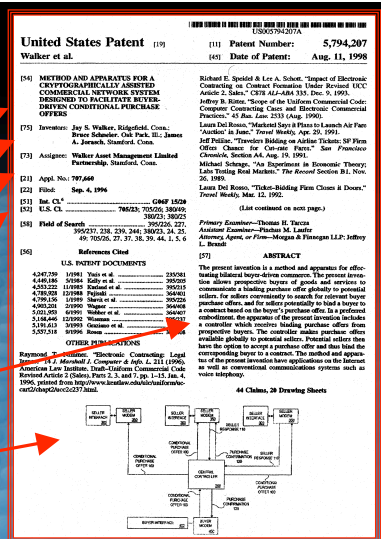
■ The Beginning - First Page

■ The Middle

- Drawings
- Background
- Summary
- Drawing Description
- Detailed Description

• The Business End - CLAIMS

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What is claimed:

1. A method for using a computer to facilitate a transaction between a buyer and at least one of sellers, comprising:
 - inputting into the computer a conditional purchase offer which includes an offer price;
 - inputting into the computer a payment identifier specifying a credit card account, the payment identifier being associated with the conditional purchase offer;
 - outputting the conditional purchase offer to the plurality of sellers after receiving the payment identifier;
 - inputting into the computer an acceptance from a seller, the acceptance being responsive to the conditional purchase offer; and
 - providing a payment to the seller by using the payment identifier.

Getting a Patent

- Identify the Invention
- Evaluate Patentability
- Decide Whether to File
- Prepare an Application
- Timely File Application
- Prosecute Through PTO
- Maintain
- Foreign Rights

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Avoiding Patents

- Identify Relevant Patents
- Evaluate Possible Infringement
- Dealing With Infringement
- Consequences of Infringement

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Using Patents

- **Stop Competitive Products**
 - Amazon.com v. Barnesandnoble.com
- **Licensing Revenue**
- **Cross-License**

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Patent Pitfalls

- **Failure to Own the Rights**
- **Failure to Protect the Rights**
- **Failure to Avoid the Rights of Others**

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Encryption patent

- Patent application filed in 1998
- Issued February of 2001
- “Method of transparent encryption and decryption for an electronic document management system”
- “The patent is a mistake, and should never have been awarded,” said Bruce Schneier

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Encryption patent – first claim

1. A **method of encrypting an electronic document** which is open in an application program running in a...computer,...the method comprising:
 - (a) from within the application program running in the general purpose computer, **a user issuing one of a "close," "save" or "save as" command** for the document using the user input device;
 - (b) automatically **translating the command** into an event;
 - (c) the crypto module automatically **trapping the event**;
 - (d) the crypto module automatically **obtaining an encryption key value**;
 - (e) the crypto module automatically **encrypting the document** using the encryption key value;
 - (f) the crypto module automatically **passing control to an electronic document management system**; and
 - (g) the electronic document management system **executing the issued "close," "save" or "save as" command**;

Encryption patent (cont'd)

- What is the controversy all about?
- Do you think the claims are too broad?
- If you owned a company that received a copy of an infringement letter or lawsuit, what would you do?
- How about if you were offered a license for \$25,000 and you estimated the litigation cost at \$150,000 (minimum)?

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TRADEMARKS

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What Is a Trademark?

- A word, name, symbol, slogan or device
- Used to identify the source of a good or service
- As distinguished from trade dress:
 - Distinctive, non-functional product configuration (cannot be inherently distinctive - must have secondary meaning)
 - Distinctive, non-functional product packaging

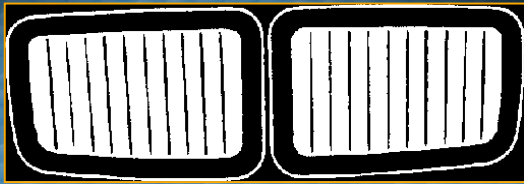
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Trade Dress - Product Configuration



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Trade Dress - Product Configuration



U.S. Trademark Registration No. 1,606,324

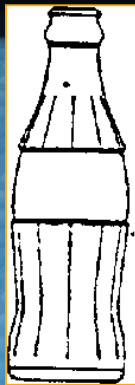
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Trade Dress - Packaging



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Trade Dress - Packaging



U.S. Trademark
Registration No.
1,057,884

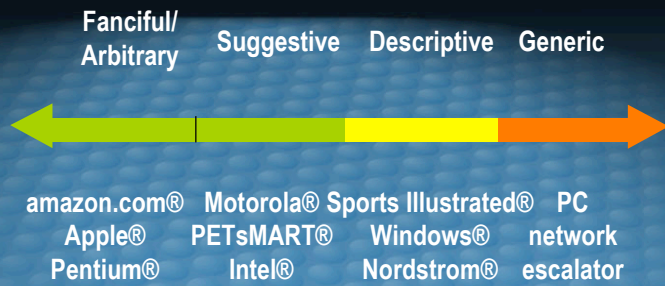
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Trademark v. Patent Protection

- **Patents** - protect inventors by granting the right to exclude others for a limited time
- **Trademarks** - protect consumers from source or sponsorship confusion
 - unlimited duration
 - can help prevent attempts to trade on a product's goodwill through end-runs around patents

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Distinctiveness Spectrum



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Descriptive Marks



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Search Before You Leap!

- Start with several distinctive candidates
- Search the trademark registers
- Search unregistered uses
- Don't forget foreign countries
- Costs:
 - preliminary search - \$300-\$600
 - full search - \$1500-\$2000



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Trademark Infringement

- Likelihood of confusion
- Marks need not be identical to conflict
- Nature of products, buyers, channels are key
- Highly subjective, factual inquiry

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But Don't Always Take "No" for an Answer — Investigate!

- The other mark might be abandoned
- Client might be able to buy it
- May be able to work out a consent



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UNITED®

- passenger air transportation services
- moving and storage
- metal for soldering
- cash registers
- real estate brokerage
- brake fluid
- direct mail advertising
- and numerous others

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Why is Registration Important?

- Provides greater rights in litigation
- In most countries, is the only source of trademark rights
- Discourages others from taking a similar name
- Prevents distributor extortion
- Secure financing/investor confidence

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Proper Use of Trademarks

- Make them stand out
- Use ® and ™ symbols
- Use them to modify generic terms
 - Never use as nouns
 - Never plural or make possessive
 - Never use as verbs



TRADE SECRET

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Trade Secret Basics

- “One of these things is not like the other...”
- Not turned over to the public domain...
- ...thus, not federally protected
- UTSA in over 30 states

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Copyright Basics

- “Original work of authorship fixed in a tangible medium of expression”
 - e.g. - software code, technical manuals, architectural drawings, sculpture
- Copyright owner has rights to:
 - Reproduce copies
 - Prepare derivative works
 - Distribute copies
 - Publicly perform and display the work

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Copyright Exceptions

- Sections 107 through 120 of the 1976 Copyright Act establish *limitations on the rights of the copyright owner*.
 - Fair use doctrine (§ 107): fact specific inquiry
 - Four factors in § 107:
 - purpose and character of use
 - nature of copyrighted work
 - proportion of the taking
 - economic impact of taking
 - Other factors courts will/have considered:
 - intent and motive
 - 1st amendment consideration
 - More on this shortly...

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Copyright Registration

- Cost - \$30 filing fee
- Advantages:
 - Prerequisite for filing copyright infringement suit
 - Prima facie evidence of validity of copyright (if registered within 5 years of publication)
 - Statutory damages and attorneys' fees available (if registered before infringement arises or within 3 months of publication)
 - Allows recordation with U.S Customs

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Digital Millennium Copyright Act (DMCA)

- Became law in 1998
- Implements the WIPO treaty
- Coverage:
 - Anti-circumvention
 - Anti-trafficking

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Universal v. Reimerdes

- Facts
 - DeCSS posted
 - 8 studios sued
- Discussion
 - Code gets 1st amend. protection
 - Harm potential is exponential (*Now there's a quotable rhyme!*)

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Universal v. Reimerdes (cont'd)

- **1st Amendment Challenge of District Court Injunction**
 - Posting
 - Linking
- **Fair Use argument?**

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Felten v. RIAA

- **Sept 2000: SDMI issued challenge**
- **Encryption researcher at Princeton broke several approaches**
- **Decided to forego award; publish instead**
- **Threatened over presentation of his work**
 - “[T]he Recording Industry Association of America, the SDMI Foundation, and the Verance Corporation **threatened to bring a lawsuit if we proceeded with our presentation or the publication of our paper.** Threats were made against the authors, against the conference organizers, and against their respective employers.” Statement of Edward Felten at the 4th International Information Hiding Conference, 4/26/01

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Felten v. RIAA (cont'd)

■ **Letter from RIAA:**

- “any disclosure of information that would allow the defeat of these technologies would violate...the Click-Through Agreement”
- “disclosure that you are contemplating could...lead to the illegal distribution of copyrighted material”
- “you could be subject to enforcement actions under federal law, including the DMCA”

■ **Lawsuit filed by Felten seeking declaratory judgment**

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Felten v. RIAA (cont'd)

- **Federal court requested to declare that Felten and his colleagues have a 1st amendment right to publish their work**
- **Less than 25 minutes of debate**
- **Judge dismissed the case; appeal was planned by the defendants**
- **“[T]he government and industry could not even agree on what the DMCA means” according to the EFF**

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Felten v. RIAA (cont'd)

- Ultimately, appeal not pursued
- Government and RIAA assured researchers in papers filed with the court that they were not subject to the DMCA
- RIAA stated “we felt Felten should publish his findings, because everyone benefits from research into the vulnerabilities of security mechanisms”

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Fair Use discussion

- **Recap:**
 - purpose and character of use
 - nature of copyrighted work
 - proportion of the taking
 - economic impact of taking
- **Applicable to VCRs?**
- **What about parodies?**
- **What about encryption research?**

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Fair Use discussion (cont'd)

- Universal case
- Two Live Crew case
- Sklyarov case

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Questions?

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