

# Intellectual Property Primer



## COPYRIGHTS, PATENTS, TRADEMARKS, AND TRADE SECRETS



# Copyright



Copyright protection is granted "[t]o 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."

U.S. Const., Art. 1, § 8, Cl. 8

## Considerations



- No attorney required, but can be very helpful
- Conducting comprehensive search of federal registrations, state registrations, and “common law” unregistered trademarks before filing application
- Help advise on policing and enforcing trademark rights, including what to do if other trademark owners allege that mark is infringing their mark

## Trade Secrets



Unlike copyright, trademarks, or patents, trade secrets are not publicly recognized or registered with the government. A patchwork of federal and state law, including case law, addresses the protection of trade secrets.

Utah, along with the majority of states, has adopted the Uniform Trade Secrets Act.

## The Uniform Trade Secrets Act



- The version of the UTSA adopted by Utah, Title 13, Chapter 24, Uniform Trade Secrets Act, defines “trade secret” as follows:
  - “Trade secret” means information, including a formula, pattern, compilation, program, device method, technique, or process, that:
    - ✦ 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
    - ✦ is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

## Four Elements of a Trade Secret



- A trade secret must consist of information, usually technical or business information
- The information must derive economic value from the fact that it is secret
- The information cannot be generally known, either by the public or by other persons in the industry
- The information must be treated as a secret, and be the subject of reasonable efforts to maintain its secrecy. For example, one federal court has defined “reasonable efforts” to include “advising employees of the existence of a trade secret, limiting access to the information on a ‘need to know basis,’ requiring employees to sign confidentiality agreements, and keeping secret documents under lock.”

## Misappropriation



- Title 13, Chapter 24, Uniform Trade Secrets Act allows for injunctive relief and damages for misappropriation of trade secrets
- “Misappropriation” means
  - Acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or
  - Disclosure or use of a trade secret of another without express or implied consent by a person who:
    - ✗ Used improper means to acquire knowledge of the trade secret; or
    - ✗ At the time of disclosure or use, knew or had reason to know that his knowledge of the trade secret was:
      - Derived from or through a person who had utilized improper means to acquire it;
      - Acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or
      - Derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or
    - ✗ Before a material change of his position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake

## General Precautions to Protect Trade Secrets



- Some potential examples of “reasonable measures”
  - Put employees, contractors, and vendors on notice of the existence and nature of confidential information
  - Include confidentiality provisions in form contracts, offer letters, employment agreements, and requests for bids
  - Give workers and contractors guidelines as to what sort of information the company considers confidential and how that information should be treated
  - Place warning labels on confidential documents and computer login screens
  - In pursuing business opportunities, disclosures of trade secret information should occur under a license or non-disclosure agreement that describes the information that is being disclosed and states the other party’s obligation to maintain the secrecy of the information

## General Precautions to Protect Trade Secrets



- Additional “reasonable measures”
  - Mark confidential documents
  - Lock doors and file cabinets
  - Issue employee ID badges
  - Have specific procedures for visitors
  - Require passwords for computers and networks
  - Provide strong trade-secret policy statement in employee handbooks
  - Have employees, contractors, and third parties sign non-disclosure agreements
  - Do not discuss confidential information during interviews
  - Develop guidelines regarding the degree of access to trade secrets for employees, consultants, vendors, etc.

## Further Precautions



- In both hiring, and terminating employees, get good legal advice on non-compete agreements, non-solicitation agreements, and invention assignment agreements as part of a policy to protect trade secrets and avoid potential misappropriation of competitors’ trade secrets