



AMC 2025

Session 5

**IP Issues for Business
Practitioners**

Presented by:

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About the Presenter...

Seep Paliwal is a partner in Stafford Rosenbaum LLP's Madison office. She is a graduate of New York University and the University of Wisconsin Law School. Seep practices litigation and business transactions, primarily in the areas of intellectual property, entertainment, and technology. She represents clients in probate disputes and adult guardianships and regularly accepts court appointments as guardian ad litem for minor children, particularly for Spanish speaking families. Prior to joining Stafford Rosenbaum, Seep was with Community Justice, Inc., a nonprofit, public interest law firm in Madison, and now serves on CJJ's board. In addition to being a member of the Wisconsin and Dane County Bar Associations, she is an Ambassador for the Wisconsin Book Festival, a member of Forward Theater Company's Literary Committee, and a Fellow of the Wisconsin Law Foundation.

CLE Session: Intellectual Property Issues for Business Practitioners

Date & Time: Friday, June 20th from 9:30 am to 10:20 am

Presenters: Seep Paliwal, Stafford Rosenbaum LLP, Madison, WI

Presentation Outline

Part I: Intellectual Property 101

Copyright

Protection originates in the United States Constitution

- Article I, Section 8: Intellectual Property “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;”
 - Based on a utilitarian rationale that exclusive rights are necessary to provide incentives to create new artistic works and technological inventions—*Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984); *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975)
 - Creates an incentive to create—with legal protection, original creators are able to recoup their investments in time and effort
- “Writings” has long been interpreted more broadly than merely script or printed material—*Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 60 (1884)
 - “Author”: he to whom anything owes its origin; originator; maker; one who completes a work of science or literature.
 - “Writings”: all forms of writing, printing, engravings, etchings, etc., by which the ideas in the mind of the author are given expression

What is protected under copyright law? 17. U.S.C. § 102

- “original works of authorship fixed in any tangible medium of expression”
- An original work—cannot be based on an existing work (think of the difference between an original screenplay vs adapted screenplay at the Oscars)
- You can see it, touch it, or hear it, and it’s recorded in some publishable, distributable format
 - SCOTUS has never explicitly held that fixation is a constitutional requirement, it appears to be implicit in the Court’s definition of “Writings”
- Specific categories of works from 17. U.S.C. § 102 (Subject matter of copyright: In general):
 - literary works;
 - musical works, including any accompanying words;
 - dramatic works, including any accompanying music;

- pantomimes and choreographic works;
- pictorial, graphic, and sculptural works;
- motion pictures and other audiovisual works;
- sound recordings; and
- architectural works

What is not protected under copyright law?

- From 17. U.S.C. § 102 (Subject matter of copyright: In general):
 - Ideas
 - Procedure
 - Process
 - System
 - Method of operation
 - Concept
 - Principle
 - Discoveries
- Originality is a constitutional requirement—*Feist Publ'ns v. Rural Tel. Serv. Co.*, 499 U.S. 340, 346 (1991).
 - Required that the work be independently created by the author
 - And possess at least some minimal degree of creativity.
 - Facts—such as names and telephone numbers arranged alphabetically—are neither original nor copyrightable because facts do not owe their origin to an act of authorship
 - A compilation of facts may be copyrightable, but only if the selection and arrangement of facts is independently created and minimally creative
- Courts have generally assumed that, under the Constitution's Intellectual Property Clause, copyright cannot protect unfixed works, such as unrecorded live musical performances.

Trademark

Definition (15 U.S. Code § 1127):

- A “trademark” or “service mark” includes any word, name, symbol, or device, or any combination thereof which a person uses (or has intent to use) in commerce
- Trademarks are used to identify and distinguish goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

- Service marks are used to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown.
- Brand names and logos—tells you who is selling you the good/service you are buying
- Two other types of marks: collective mark or certification mark
 - Collective mark: used by the members of a cooperative, an association, or other collective group or organization to indicate membership
 - Certification mark: used to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization

Trademark protection derives from the Commerce Clause of the Constitution:

- SCOTUS held that Congress lacked power under the IP Clause to provide for trademark protection because trademarks need not be “original, creative, novel, nor inventive”—*The Trade-Mark Cases*, 100 U.S. 82 (1879).
- Instead in the last century, SCOTUS has held that Congress has power under the Commerce Clause to regulate trademarks used in commerce, even if the use is purely intrastate—*Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F.2d 358, 365 (2d Cir. 1959)

What do you need to obtain trademark registration? (15 U.S. Code § 1051(a)(2), (3))

- Date of first use and first use in commerce
- Identify the goods/services in connection with the mark is used
- A drawing of the mark (if applicable)
- Verification that the mark is in used in interstate commerce
- Verification that, to the best of the applicant's knowledge, no other person has the right to use the mark in commerce (with some limited exceptions)

Patents

Also originates in Article I, Section 8, the Intellectual Property Clause, of the United States Constitution

What is patentable? (135 U.S.C. §§ 101–103, 35 U.S.C. §§ 161–164, 171–173)

- Any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement—utility patents
 - No patent may be issued on a claim directed to or encompassing a human organism

- Also, any distinct and new variety of plant, including cultivated sports, mutants, hybrids, and newly found seedlings, other than a tuber propagated plant or a plant found in an uncultivated state

Required elements of a utility patent:

- Novelty: only “Inventors” may secure patent rights under the IP Clause; easiest to define by what novelty is not—*Graham v. John Deere Co. of Kan. City*, 383 U.S. 1 (1966)
 - The issuance of a patent cannot have the effect of removing existent knowledge from the public domain, or restricting free access to materials already available to the public
 - The claimed invention cannot have every element already disclosed in “prior art” (information known or available to the public)—*Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950)
- Non-obviousness in light of the prior art: When an invention does no more than combine familiar elements according to known methods, yielding only predictable results, it is likely to be obvious—*Graham v. John Deere Co. of Kan. City*, 383 U.S. 1 (1966)
 - The discovery must require more ingenuity and skill than that possessed by an ordinary mechanic—*Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248, 267 (1851)
 - How to determine obviousness:
 - Examine the scope and content of prior art
 - Differences between the prior art and claimed invention
 - The level of ordinary skill required to create the claimed invention
- Usefulness: the claimed invention must have a specific and substantial purpose
 - Requires that the public derive a benefit from the claimed invention—*Brenner v. Manson*, 383 U.S. 519, 534–35 (1966)

Trade Secrets

What are trade secrets?

- Under Wisconsin state law (Uniform Trade Secrets Act, Wis. Stat. § 134.90), a “trade secret” means information, including a formula, pattern, compilation, program, device, method, technique or process to which all of the following apply:
 - The information 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

- The information is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.
- Under the federal Defend Trade Secrets Act (18 U.S.C. § 1839), “trade secret” means “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 if”
 - “the owner thereof has taken reasonable measures to keep such information secret; and”
 - “the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information”

What is the value of trade secrets and how should business owners protect them?

- Trade secrets derive their economic value from the competitive advantage that the secrecy of the information provides.
- Access to it should be limited to individuals who “need to know.”
 - Those with access should be contractually prohibited from disclosing the information.
 - This is where the use of confidentiality provisions, non-disclosure agreements, and non-compete agreements come into play.

Part II: Common Issues for Business Attorneys

Starting a Business

- Company/brand name selection
- Domain name selection—domains overlap quite significantly with trademarks
- What kinds of IP considerations do you need to take before advising a client on the launch of a product?
 - Is the product similar to any existing work/prior art?
 - Is the mark already in use for a similar or related product/service?
 - Could a consumer be reasonably confused by your client’s use of the mark?

Protecting a Client’s Intellectual Property

- Identifying what kind of IP your client has developed—definitions provided in Part I
- Registration of your client’s IP

- Patents—refer your client to a specialist
- Copyright—relatively straightforward and the Copyright Office offers quite a bit of guidance
- Trademark—can be straightforward, but often unexpectedly tricky
 - What’s required to apply for registration?
 - Date of first use
 - Date of first use in commerce
 - Description of goods/services
 - Selection of International Class(es)—this is often not intuitive
 - Specimen or documentation of the mark in use to sell the goods/services—again not always intuitive
- IP enforcement—your client’s IP is only as protected as it is enforced
 - Laches, waiver of rights
 - Consistent enforcement across all competitors, goods/services
 - Trade secrets in particular only retain their value as secrets, and so enforcement of confidentiality is key to maintaining that value.

Infringement Claims

- What is IP infringement?
- Copyright
 - What are derivative works?
 - What constitutes fair use?
 - Copyright trolls—what to do when your client receives a cease and desist
 - A money grab
 - In most instances, it’s not worth the attorney’s fees to fight these claims
 - When should you fight it? When the license fee is so high, it’s reasonable to negotiate or when your client had reason to believe the use was legitimate (either purchased a license or fair use)
- Trademark
 - When can a client use a mark that’s already in use?
 - Geographic boundaries
 - Different products/services
 - “Grandfathered”—your client has common law rights
 - Client only operates in Wisconsin—how can you obtain federal protections?