

White Paper on  
Business Intellectual Property Overview

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# Nicolosi & Associates White Paper

## Business Intellectual Property Overview

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### Service & Trade Marks

Marks are generally an identifier of source and quality. Rights generally accrue under common law upon adoption and use of a mark (name, symbol, logo, trade dress, style of doing business, etc.) in connection with a business. Marks may also be adopted for use in connection with non-profit and organizational activities, e.g., unions and trade associations.

It is generally recommended that a trademark clearance search be performed to determine the availability of a mark prior to its adoption. Typical client charges for such a search and related analysis and opinion is \$ 450.

A mark may be registered at the States and Federal level, provided that certain requirements are satisfied. At the State level, the mark is simply registered with the Secretary of States and notice must be provided locally.

At the Federal level, applications for trademark registration are subject to substantive examination in an arcane administrative proceeding that may span 2-4 years, or more. Registering your trademark in the Federal System would be done hourly and range from between \$1,000-2,000, plus government fees (filing, publication & registration) of approximately \$ 1000.00 accruing between application filing and mark registration, depending on the number of different classes of goods and services for which registration is sought.

Registration at the Federal level requires actual use or intent to use the mark "in commerce". Federal registration provides several desirable benefits, including, among others: nationwide constructive notice and use; prima facie evidence of validity, ownership and right of use; Federal jurisdiction; the right to Customs agency enforcement barring importation of goods bearing infringing marks; treble damages, atty. fees and other desirable remedies.

## Copyright

Copyright protects original works of authorship fixed in a tangible medium of expression. The law generally requires that the work embody at least a very minimal amount, or modicum, of creativity, and that the work be conceptually separable from any utilitarian aspects thereof. Mere compilations, for example alphabetically arranged directories, have been refused protection for lack of originality and/or creativity; Hard work, “sweat of the brow”, alone is insufficient to merit copyright protection.

Statutory works include, among others, literary works (e.g. poetry, musical lyrics, writings, software, etc.), pictorial, graphic and sculptural works (e.g. drawings, photos, blue prints, computer screen displays associated with software, buildings, etc.), and choreographic works.

The copyright protection afforded software is generally not very great, since software is inherently utilitarian, but exists nevertheless. In some cases, software inventions may be eligible for patent protection in addition to that of copyright, as discussed below.

Original works are protected upon fixation. Notice, e.g. “© Name, Year, All Rights Reserved”, is not required, but is recommended. It bars innocent infringement defenses and may deter some copying. The copyrighted work may also be registered at the Copyright Office. Registration is generally required for filing an infringement action and provides enhanced remedies. Copyright registration is therefore recommended for works having commercial significance.

## Trade Secrets And Related Agreements

Trade secret protection is available for any information having economic value resulting from its not being known generally, so long as the information is the subject of reasonable efforts to maintain its secrecy. State law governs trade secrets.

## Patents

Utility patent protection is generally available for useful inventions that are novel and non-obvious. Patent protection extends generally to articles of manufacture, machines,

compositions of matter, and processes.

Recently, Federal courts have ruled explicitly that software inventions and business methods or models are not exempt per se from patent protection, so long as the statutory requirements for patentability are satisfied. These inventions have nevertheless been protected for some time under various other guises.

Design patent protection is available for ornamental designs for articles of manufacture, as opposed to the article itself. For example, surface indicia on the article, a design for the overall shape or configuration of the article, and combinations thereof. Design patent protection has been extended to include computer-generated icons. Designs must satisfy the novelty and non-obviousness requirements.

Patent protection is the strongest and arguably the most desirable form of intellectual property protection, where applicable. For some inventions, however, for example those where the commercial life span thereof is not more than a couple of years, patent protection may not be as great, since patents take about two years to obtain. There may nevertheless be advantages to filing patent applications under these circumstances, since goods marked with "patent pending" create substantial uncertainty for competitors. Also, other inventions may be better protected by trade secret, for example some processes that may not be reverse engineered by mere inspection of the article produced thereby.

The total cost for a patent is not less than \$ 7,000 for the simplest of inventions. For example, the minimum cost for preparation of a simple mechanical patent specification is about \$ 3,500, plus the costs of formal drawings, about \$100 per sheet. For individuals and small businesses, the government costs (filing and issue fees) are approximately \$ 1,000; the cost is double for entities with more than 500 employees. There are also attorney fees associated with the procurement of the patent, estimated to be approximately \$ 2,000.