



# The Legal 500 Country Comparative Guides

## United States: Intellectual Property

This country-specific Q&A provides an overview of intellectual property laws and regulations applicable in United States.

For a full list of jurisdictional Q&As visit [here](#)

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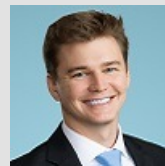
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1. **What different types of intellectual property rights exist to protect: (a) Inventions (e.g. patents, supplementary protection certificates, rights in trade secrets, confidential information and/or know-how); (b) Brands (e.g. trade marks, cause of action in passing off, rights to prevent unfair competition, association marks, certification marks, hallmarks, designations of origin, geographical indications, traditional speciality guarantees); (c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).**

a)

There are two primary means by which inventions are protected in the United States: through patents issued by the United States Patent & Trademark Office (“USPTO”) and through federal and state trade secret laws.

#### **Patents:**

The USPTO issues three types of patents: utility patents, design patents, and plant patents. A utility patent is a property right granted by the USPTO to the inventor for any new and useful process, machine, manufacture, or composition of matter. A granted patent allows the owner to “exclude others from making, using, offering for sale, or selling” the invention in the U.S. or importing the invention into the U.S. 35 U.S.C. §271.

#### **Trade Secrets:**

Generally, any confidential business information which provides a competitive edge may be considered a trade secret. This includes formulas, patterns, compilations, programs, devices, methods, techniques, and processes. To obtain trade secret protection, however, the subject matter must be valuable (e.g., provide economic advantage over competitors without the trade secret), must not be generally known to the public, and must be the subject of reasonable efforts to keep it secret.

b)

#### **Trademarks:**

A trademark is a word, name, symbol, or device used in trade with goods to indicate the source of the goods and to distinguish them from the goods of others. Trademark rights may be used to prevent others from using a confusingly similar mark, but not to prevent others from making or selling the same goods or services under a clearly different mark.

There are also specific subsets of trademark protection, which include:

- Collective Marks: a type of trademark that identifies members of a union, cooperative, association, or other collective organization.
- Certification Marks: a type of trademark that is used to show consumers that particular goods and/or services have met certain standards. For example, the goods or services meet standards with respect to quality, materials, or how they are manufactured.
- Geographical Indications: a type of trademark that identifies a specific geographical origin and possess a quality, reputation, or characteristic due to the place of origin.

### **Passing Off / Unfair Competition:**

Unfair competition is a legal claim under which one who has suffered an injury through deceptive or wrongful business practices can be compensated. Passing off is a form of unfair competition where a seller of goods misleads consumers into thinking that its products are affiliated with or come from another party.

c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).

### **Copyright:**

A copyright is a form of protection granted for original works of authorship fixed in a tangible medium of expression. Copyright law generally gives the owner of copyright the exclusive right to reproduce the copyrighted work, to prepare derivative works, to distribute copies or phonorecords of the copyrighted work, to perform the copyrighted work publicly, or to display the copyrighted work publicly. While facts and collections of facts are not copyrightable in the U.S., databases may be eligible for copyright protection as compilations if the collection and assembling of underlying facts is sufficiently original.

### **Design Rights:**

Design protection exists in the form of both design patents and copyrights. Design patents protect the ornamental, non-functional features of an article of manufacture, or the way an article looks. A copyright can also protect a design as soon as it is created and fixed in a tangible object.

### **Semiconductor Topography Rights (Mask Work):**

The Copyright Office offers protection for mask works, which is the three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a

semiconductor chip product.

### **Plant Varieties (Plant patents and PVPO non-patent IP):**

A plant patent may be granted by the government to an inventor who has invented or discovered and asexually reproduced a distinct and new variety of plant, other than a tuber propagated plant or a plant found in an uncultivated state. A grant of a plant patent precludes others from asexually reproducing, selling, offering for sale, or using the patented plant or any of its parts in the United States or importing them into the United States.

Additionally, non-patent protection of plants is also available through the US Department of Agriculture's Plant Variety Protection Office ("PVPO"). The PVPO provides protection for new varieties of sexually, asexually and tuber propagate plants. Once the PVPO issues a certificate of protection, the owner is given 20 years (25 for trees and vines) of exclusive rights.

## **2. What is the duration of each of these intellectual property rights? What procedures exist to extend the life of registered rights in appropriate circumstances?**

<b>Right</b>	<b>Duration</b>
Utility and plant patent	- 20 years from the filing date of the earliest non-provisional U.S. or international (PCT) application to which priority is claimed, if filed on or after June 8, 1995 - The greater of 20 years from the filing date or 17 years from the date of patent grant, for applications filed prior to June 8, 1995
Design patent	- 15 years from issuance for applications filed on or after May 13, 2015 - 14 years from issuance for applications filed before May 13, 2015
Trade secret	Perpetual if requirements for trade secrets are met
Trademark	Perpetual if used in commerce and maintenance requirements are met
Copyright	- 70 years after the death of the author for works created after January 1, 1978 - 95 years from the year of publication or 120 years from the year of creation, whichever expires first, for works made for hire
Mask Work	10 years from the date on which a mask work is registered or it is first commercially exploited anywhere in the world, whichever occurs first.

## **3. Who is the first owner of each of these intellectual property rights and is this different for rights created in the course of employment or under a commission?**

For patents, the first owner of a patent is generally the inventor. As such, employers need to rely on assignment agreements in order to capture ownership of inventions within the scope of employment.

For copyrights, the first owner of a copyright is generally the author of the work, although

the original owner of the copyright may be the employer of the author rather than the author if the work in question is within the scope of employment (i.e., it qualifies as a “work made for hire”). Additionally, certain categories of commissioned works are owned by the commissioning party if the parties expressly agree in writing that the work shall be a “work made for hire”.

Ownership of a trademark is predicated on priority of use of the mark in commerce—either through actual use or the filing of an intent-to-use application.

#### **4. Which of the intellectual property rights described above are registered rights?**

Utility, design and plant patents are registered by the USPTO. Trademarks may also be registered by the USPTO or through state agencies; however, some trademark rights exist even absent registration. Copyrights may be registered by the U.S. Copyright Office; however, the existence of rights does not require registration and such rights are created at the moment the work is fixed in a tangible medium. Finally, mask works may be registered by the U.S. Copyright Office.

#### **5. Who can apply for registration of these intellectual property rights and, briefly, what is the procedure for registration?**

##### **Patents:**

A patent may be applied for only in the name(s) of the actual inventor(s), although the inventor(s) or anyone to whom the invention has been assigned can file an application with the USPTO.

For a utility patent, by far the most-filed application at the USPTO, an applicant may file a provisional application to establish a priority date for the invention. The provisional application does not mature into an issued patent unless the applicant files a non-provisional patent application within one year of filing the provisional. If the non-provisional application meets the statutory patentability requirements, the USPTO will issue a patent. If the application fails to meet any of the statutory requirements, a patent examiner at the USPTO will issue an Office Action identifying the deficiencies in the application and/or claims in the form of objections and/or rejections. The applicant must respond, curing any deficiencies noted by the examiner within the prescribed time period. If any amendments to the application and/or arguments then comply with the statutory requirements, the examiner will issue a notice of allowance. After the patent issues, the patent owner must pay maintenance fees to keep the patent alive and enforceable.

##### **Trademarks:**

Anyone, whether a person or an entity, who uses, or intends to use, a mark in commerce can

apply for a trademark. However, unlike U.S.-domiciled applicants, foreign-domiciled applicants must be represented by a U.S.-licensed attorney.

To obtain a registered mark, an applicant must file an application with the USPTO. An application should include a description of the mark (if the mark is not in standard characters), a clear drawing of the mark (unless it is a sound, scent, or other non-visual mark), and a list of the particular goods and/or services to which the mark will apply. The application must also specify a proper filing basis and meet the requirements of one or more of the five bases identified by the USPTO (e.g., use of the mark or intent to use the mark in commerce).

Once filed, the application will be assigned an examiner at the USPTO. If the examiner finds the applied-for mark to be in condition for registration, the examiner will register the mark. If an examiner determines that a mark is not entitled to registration, or that amendment is required, the examiner will notify the applicant in an Office action. The applicant must respond, curing any deficiencies noted by the examiner within the prescribed time period. After the mark is registered, the mark owner must pay maintenance fees to keep the registration alive and enforceable.

### **Copyrights:**

Only the author of an original work or someone who has obtained rights through the author can register for a copyright. To obtain a registered copyright, an applicant must submit a completed application form, copies of the work to be registered, and the applicable filing fee. This can be done through the Copyright Office website or through a paper application.

### **Mask Works:**

In order to secure protection, the owner of a mask work (i.e., the initial owner or the person who has obtained all rights in the mask work by transfer) must register a claim with the U.S. Copyright Office within two years after the date on which the mask work is first commercially exploited. Otherwise, protection will be lost.

## **6. How long does the registration procedure usually take?**

The length of registration procedure varies greatly depending on the type of intellectual property and the subject matter of the application. Applications that require correspondence (e.g., are rejected) with the appropriate office have a longer processing time than those that do not.

Patents: The USPTO currently reports that the registration process for utility patents takes approximately 23 months from filing to final disposition.

Trademarks: The USPTO currently reports that the registration process takes approximately 10 months from filing to final disposition.

Copyrights: The U.S. Copyright Office currently reports that the registration process takes approximately 3 months from filing to recordation.

## **7. Do third parties have the right to take part in or comment on the registration process?**

### **Patents:**

35 U.S.C. §122(e) provides a mechanism for third parties to submit patents, published patent applications, or other printed publications of potential relevance to the examination of a patent application with a concise description of each document's asserted relevance. Such submissions may be made (1) the later of (i) 6 months after the date of publication or (ii) the date of a first Office action on the merits rejecting any claims, or (2) before the date of a notice of allowance, if earlier.

Any third party may also file a protest against a pending patent application. Any information which, in the protestor's opinion, would make the grant of a patent improper can be relied on in a protest. Protests may be based on any facts or information adverse to patentability, including public use or on sale, inventorship, patentability challenge, and/or "fraud" or "duty of disclosure" information. Unless the protest is filed with consent from the applicant, the protest must be submitted prior to the date the application was published or the mailing of a notice of allowance, whichever occurs first, and the application must be pending when the protest and application file are brought before the examiner in order to be ensured of consideration.

### **Trademarks:**

Any person who believes that they would be damaged by the registration of a trademark may file an opposition within 30 days of the trademark application receiving preliminary approval from the examiner and being published.

### **Copyrights:**

Third parties do not have the right to take part in or comment on the registration of a copyright.

## **8. What (if any) steps can the applicant take if registration is refused?**

The steps that are available to an applicant will depend on the stage of the registration

process. If an applicant for a patent or trademark application receives a Non-Final Rejection during the registration process, the applicant will be notified of the deficiencies by an official letter from the USPTO, known as an Office Action. The applicant must respond to the Office Action and make amendments, argue against the examiner’s objections and/or rejections, and/or provide supplemental information at the request of the examiner.

However, if a patent examiner issues a Final Office Action, the applicant has a number of options, including: (1) file further arguments and/or claim amendments; (2) reopen prosecution by filing a Request for Continued Examination, along with any further arguments and/or claim amendments; or (3) appeal the objections and/or rejections to the Patent Trial and Appeal Board (“PTAB”).

If a trademark examiner issues a Final Action, the applicant may file a request for reconsideration of the Final Action. If unsuccessful, the applicant may then appeal the filing refusal to the Trademark Trial and Appeal Board.

If a copyright registration application is rejected, the applicant may request two rounds of review from within the Copyright Office: by filing a First Request for Reconsideration within three months of the original denial and a Second Request for Reconsideration within three months of that denial. A decision after the second request constitutes final agency action.

**9. What are the current application and renewal fees for each of these intellectual property rights?**

**Patents**

- Application Filing Fees:

<b>Fee Description</b>	<b>Fee</b>	<b>Small Entity Fee</b>	<b>Micro Entity Fee</b>
Utility - basic (paper filing)	\$300	\$150	\$75
Utility - basic (e-filing for small entities)	N/A	\$75	N/A
Design	\$200	\$100	\$50
Plant	\$200	\$100	\$50
Provisional Application	\$280	\$140	\$70
Reissue	\$300	\$150	\$75
Each Independent Claim in Excess of 3	\$460	\$230	\$115
Each Claim in Excess of 20	\$100	\$50	\$25
Each Reissue Claim in Excess of 20	\$100	\$50	\$25
Multiple Dependent Claim	\$820	\$410	\$205



- Issued Patent Maintenance Fees:

<b>Fee Description</b>	<b>Due Date</b>	<b>Fee</b>	<b>Small Entity Fee</b>	<b>Micro Entity Fee</b>
First Maintenance Fee	3.5 years after issuance	\$1600	\$800	\$400
Second Maintenance Fee	7.5 years after issuance	\$3600	\$1800	\$900
Third Maintenance Fee	11.5 years after issuance	\$7400	\$3700	\$1850
Surcharge - Late Payment of Maintenance Fees	Within six months of the maintenance fee due date	\$160	\$80	\$40
Petition for the Delayed Payment of the Fee for Maintaining a Patent in Force		\$2000	\$1000	\$500

Full list of miscellaneous fees associated with patents can be found at <https://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule>.

**Trademarks:**

- Application Fees:

Almost all trademark fees are calculated on a per class basis for all listed goods and/or services. The application fee varies depending upon whether the application is filed through the Trademark Electronic Application System (TEAS) or on paper. For a given mark, an applicant can file: (1) a paper application at \$600 per class; (2) a regular TEAS application at \$400 per class; (3) a TEAS RF application at \$275 per class; or (4) a TEAS Plus application at \$225 per class. To be eligible for TEAS Plus and TEAS Standard, the applicant must meet additional statutory requirements on top of minimum filing requirements.

- Maintenance Fees:

A trademark registrant must file a Section 8 Declaration between the 5th and 6th years of registration to prove that the trademark is in use in commerce with the goods and/or services listed in the registration or that, due to excusable circumstances, the mark is not in use. The fee for the declaration is \$125 per class.

- Renewal Fees:

Between the 9th and 10th anniversaries of registration, and each successive ten-year period thereafter, the registrant must file another Section 8 declaration and a renewal application (i.e., Section 9 Application). A combined filing fee for both documents is \$425 per class of goods and/or services.

## **Copyrights**

The registration fee for an electronic application is \$45 for a single application (single author, same claimant, one work, not for hire) and \$65 for a standard application (all other filings). The paper filing registration fee is \$125. There are no maintenance fees for copyright registrations.

### **10. What are the consequences of a failure to pay any renewal fees and what (if any) steps can be taken to remedy a failure to pay renewal fees?**

#### **Patents:**

If the maintenance fee is paid within 6 months of the due date, then the patent owner must pay a surcharge of \$160, \$80 for a small entity, or \$40 for a micro entity. Failure to pay any maintenance fee will result in expiration of the patent. If the patent expires, the patent owner can file a petition to revive the expired patent, but the petition will only be granted if the failure to pay on time was unintentional.

#### **Trademarks:**

Failure to file the Section 8 Declaration will result in expiration/cancellation of the registration. If the registrant misses the filing dates of the Section 8 Declaration or Section 9 Application, then the Registrant must file a new registration application to reclaim the expired trademark.

### **11. What are the requirements to assign ownership of each of the intellectual property rights described above?**

As a general matter, the assignment of intellectual property relies on state contract law and will be subject to the laws of the governing jurisdiction. As a best practice, any assignment relating to those rights, in whole or part, should: (1) be in writing; (2) identify the parties; (3) identify the rights being assigned; and (4) recite the exchange of consideration.

In a patent assignment, a patent holder may not assign less than all of the claims in a patent. In a trademark assignment, the mark holder must also assign the goodwill associated with the mark. In a trade secret assignment, the transferor must assign the right to prevent unauthorized disclosure of the trade secret. A copyright assignment generally must be made in writing and signed by the owner of the conveyed rights or by the owner's authorized agent. It is important to note that under certain circumstances, the Copyright Act allows authors or their heirs to terminate an agreement that transferred or licensed the author's copyright to a third party after thirty-five years.

**12. Is there a requirement to register an assignment of any of these intellectual property rights and, if so, what is the consequence of failing to register?**

The USPTO is authorized to record assignments for applications, patents and trademark registrations. Although the recording of an assignment by the USPTO is not required per se and is not a determination as to the validity of the assignment, failure to timely record the assignment will void the assignment as against a subsequent purchaser that lacked notice of the unrecorded assignment.

Recording copyright assignments in the Copyright Office is voluntary. However, recordation confers certain legal advantages, including establishing priority between conflicting transfers and creating “constructive notice” of the facts stated in the recorded document.

**13. What are the requirements to licence a third party to use each of the intellectual property rights described above?**

Generally, the licensing requirements for IP rights are covered by a combination of both federal and state law, with the common law of contracts often governing many of the potential licensing issues. For instance, state law may govern issues of consideration, whereas, the federal law governing the type of intellectual property at issue may impact other issues, such as whether a written instrument is required or a license can be implied based on the conduct of the parties.

For example, an employer may have an implied license (sometimes referred to as a “shop right”) for an employee’s invention when an employee uses the employer’s resources to create the invention, but the employer does not own the invention.

As another example, the Copyright Act provides that an exclusive license must be made in a signed writing, but non-exclusive licenses are not subject to such a requirement. As such, if an “exclusive license” is granted without a signed writing, it becomes a non-exclusive license.

Similarly, a trademark license must contain provisions allowing the licensor to retain quality control over the licensee’s products displaying the mark in order to preserve rights in the mark. Licenses involving trade secrets must describe the measures that will be used to protect the secrecy of the licensed trade secrets.

**14. Is there a requirement to register a licence of any of these intellectual property rights and, if so, what is the consequence of failing to register?**

There is no requirement to register or record a patent, trademark, or copyright license.

Moreover, such recordation or registration will have no legal effect.

**15. Are exclusive and non-exclusive licensees given different rights in respect of the enforcement of the licensed IP, and if so, how do those rights differ?**

Exclusive and non-exclusive licensees are given different rights in respect to enforcement of licensed IP. For example, a non-exclusive licensee has no right to enforce the licensed rights because a non-exclusive license is, generally speaking, simply a covenant not to sue the licensee for infringement.

On the other hand, an exclusive licensee may have the right to enforce the licensed IP, depending on the language in the licensing agreement. For example, an exclusive patent licensee may sue others, on its own, if the license grants “all substantial rights” in the patent sufficient to provide standing for the exclusive licensee. However, under ordinary circumstances, even exclusive licensees must sue an infringing party jointly with the owner of the IP.

**16. Are there criminal sanctions for infringement of any intellectual property rights, and if so, what are they and how are they invoked?**

Enforcement of IP rights is primarily civil, and no statutes currently exist imposing criminal sanctions in cases of patent infringement. However, as discussed below, criminal sanctions are available in certain instances of trademark and copyright infringement and trade secret misappropriation.

The Trademark Counterfeiting Act, 18 U.S.C. §2320(a), provides that “(w)hoever intentionally traffics or attempts to traffic in goods and services and knowingly uses a counterfeit mark on or in connection with such goods or services” shall be guilty of a felony.

Criminal copyright infringement is defined in 17 U.S.C. §506(a). Under this statute, criminal infringement occurs when a party willfully infringes a copyright for purposes of commercial advantage or private financial gain.

Finally, the Economic Espionage Act, 18 U.S.C. §§1831 and 1832, contains provisions that criminalize the theft or misappropriation of trade secrets. Section 1831 requires that the theft of the trade secret be done to benefit a foreign government, instrumentality or agent. Common commercial theft of trade secrets, regardless of who benefits, is punishable under § 1832.

**17. What other enforcement options are available for each of the intellectual property rights described above? For example, civil court proceedings, intellectual property office proceedings, administrative proceedings, alternative dispute resolution.**

The U.S. Code grants federal courts exclusive jurisdiction to decide civil cases involving the enforcement of patents, plant variety protection, and copyrights. For trademark and trade secret disputes, a party can pursue civil actions in federal or state court, depending on the rights it seeks to enforce.

Parties seeking to block unlawful imports that infringe U.S. IP rights - including patents, trademarks and trade secrets - can also turn to the International Trade Commission (ITC) to protect their interests. The ITC has sole authority to investigate violations and exclude importation of goods involved in "unfair methods of competition."

The USPTO also has proceedings before the PTAB that provide an opportunity to challenge the validity of issued patents. Although not enforcement proceedings, they have become exceedingly important in patent disputes and often occur in parallel.

Federal and state courts considering intellectual property disputes often require the parties to participate in some form of ADR, including but not limited to early-neutral evaluations, non-binding arbitration, private mediation and settlement conferences. Further, the patent statute, 35 U.S.C. § 294, expressly allows parties to agree by contract to the voluntary binding arbitration of disputes regarding the infringement or validity of patents.

## **18. What is the length and cost of such procedures?**

With regard to patent infringement litigation in district court, the time from case filing to trial varies substantially from court to court, but generally range from one to three years.

Under the America Invents Act (AIA), a PTAB proceeding is intended to move quickly. The AIA requires that the PTAB determine whether to institute a trial within six months of the petition being filed. The PTAB must then issue a final written decision on the patentability of any challenged claim within one year of instituting a trial. This one-year limit may be extended, for good cause, by up to six months.

The average completion time of a Section 337 investigation at the ITC, for the 2019 fiscal year, was about 14 months. For investigations completed on the merits, the average length of an investigation was 22 months.

The length and cost of trademark, copyright, and trade secret cases in federal court will also vary substantially, depending on the IP rights at issue, the complexity of the case, and the venue. Generally, however, these cases reach trial slightly less than two years after the complaint is filed.

The average cost of these various proceedings varies depending on the complexity of the case and the overall value of the property, but can range from less than \$500,000 on the low end

to more than \$10 million on the high end.

**19. Where court action is available, please provide details of which court(s) have jurisdiction, how to start proceedings, the basics of the procedure, the time to trial, the format of the trial, the time to judgment and award of relief and whether any appeal is available.**

Federal courts have exclusive jurisdiction to decide patent, plant variety protection, and copyright cases. However, state courts can decide issues surrounding the IP, such as ownership, assignment, and licensing issues in contract and tort cases. For trademark and trade secret disputes, a party can pursue civil action in federal or state court, depending on the rights it seeks to enforce.

In both state and federal court, filing a complaint begins the litigation process. After the defendant files an answer, a schedule leading up to trial is established. The parties then engage in what is known as the discovery process, which includes gathering information, records, and depositions. During the discovery process, technical experts often become involved, and materials and reports by opposing experts are also exchanged. When the discovery period closes, motions are filed with the court by both parties to simplify and resolve evidentiary and procedural issues before trial. Unless the parties settle, the litigation ends with trial in which a judge or jury hears the case and renders a decision awarding relief to the prevailing party. In IP cases, relief is usually monetary and injunctive relief.

As noted above in response to Question 18, the time from filing the complaint to trial and final disposition of the case varies substantially from court to court, but generally range from one to three years. When a trial court decision is made final, either party may appeal. The court which hears the appeal depends on the type of IP right being litigated. For example, the Court of Appeals for the Federal Circuit has exclusive jurisdiction over appeals "arising" at least partly under the Patent Act. Non-patent cases can be appealed to the regional appellate court.

**20. What customs procedures are available to stop the import and/or export of infringing goods?**

As discussed above in response to Question 17, the ITC may investigate the importation of goods that allegedly infringe a complainant's IP. If the complainant is successful, the ITC will issue an exclusion order, whereby U.S. Customs and Border Protection will prevent the infringing products from being imported into the country.

**21. Are any non-court enforcement options or dispute resolution mechanisms mandatory in respect of intellectual property disputes in any circumstances? If so, please provide details.**

There are no mandatory non-court enforcement options or dispute resolution mechanisms for

IP disputes in the U.S.

**22. What options are available to settle intellectual property disputes?**

At any time (before, during, or even after) litigation, the parties may choose to settle. The parties may choose to facilitate settlement by: negotiating directly (or via authorized agents or counsel); engaging in settlement conferences with court-designated referees (such as U.S. Magistrate Judges or private attorneys; engaging in private mediation; or engaging in non-binding arbitration; or a combination of the foregoing.

**23. What is required to establish infringement of each of the intellectual property rights described above? What evidence is necessary in this context?**

**Patents:**

Patents may be infringed directly or indirectly. Under 35 U.S.C. §271(a), a direct infringer is “whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent.” In order to establish infringement under this section, the patent owner must prove that the alleged infringer practices each and every element of an asserted claim.

Indirect infringement is a theory of secondary liability under which a third party may be found liable for direct infringement committed by another. For instance, one who “induces” another to directly infringe the patent may be held liable under §271(b). Likewise, one who materially contributes to another’s direct infringement may be held liable under §271(c). It is also important to note that where multiple actors are involved in carrying out the alleged infringement of a method patent and no single accused actor has performed all of the steps of the method, liability for divided infringement can be found if it can be shown the acts of the other actor(s) are attributable to one actor, such that the one actor can be held responsible for the infringement.

To prove infringement, each claim element is analyzed, side-by-side, against each respective element or feature of the accused product or method. Experts often assist with this element-by-element analysis.

**Trademarks:**

To prove trademark infringement, the trademark owner must prove that it owns a valid mark, that it has priority (in time), and that the defendant’s unauthorized use of the mark is likely to cause confusion in the minds of consumers about the source or sponsorship of the goods and/or services offered under the parties’ marks. In likelihood of confusion cases, customer surveys can be strong direct evidence used to show infringement.

## **Copyrights:**

To prove copyright infringement, the copyright owner must prove (1) ownership of a valid copyright and (2) actionable copying of constituent elements of the work that are original. The copyright owner may establish actionable copying with direct or circumstantial evidence, although direct evidence is rare. An inference of copying may arise with evidence that (i) the defendant had access to the copyrighted work, and (ii) probative similarity between the two works. A court may consider expert testimony to determine whether the two works are probatively similar.

## **Trade Secrets:**

A claim for trade secret misappropriation, whether under state or federal law, generally requires a plaintiff to prove: (1) ownership of a trade secret; (2) reasonable precautions were taken to prevent the disclosure of the trade secret; and (3) acquisition of the trade secret by improper means, such as theft. Because misappropriation of can rarely be proved by convincing direct evidence, courts ordinarily permit circumstantial evidence concerning similarity of design plus access to the design.

24. **How does the court acquire any necessary information (fact or technical) and in what circumstances does it do so? In particular a) Is there a technical judge, a judge with technical experience, a court appointed expert, an expert agreed by the parties, and/or parties' expert witness evidence? b) What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?**

There are no judges in the U.S. that are designated specifically as “technical” judges, but there are judges with technical backgrounds and/or judges who see complex technical cases more often than others. One notable instance of this is that, because of jurisdictional rules, some judges will be more familiar with specific areas of the law—such as patent law. For example, because the Court of Appeals for the Federal Circuit has exclusive jurisdiction over patent cases, the judges all have extensive experience with patent matters, in addition to the other types of cases they hear. As another example, there are district courts that are known for being popular patent venues (e.g., E.D. Texas, N.D. Cal.) and some district courts have implemented Patent Pilot Programs to help steer patent cases to a designated set of judges.

With respect to experts, it is common for parties to retain and utilize expert witnesses in advancing their respective positions. Trial courts also have the ability to appoint a neutral expert to assist the court in understanding the technology at issue—such as by providing the court with a scientific primer in highly complex cases.

During the discovery process, parties are allowed to ask for and exchange relevant information, in the form of documents, written responses to questions, and oral testimony



(called depositions). Generally, a party may decline to disclose information on the basis that it is protected by the attorney-client privilege, the work product doctrine, a common interest privilege, or is otherwise protected from disclosure by another rule. The party requesting the information may then move to compel the information, meaning that it asks the court to enforce its request. The judge will either deny the motion, order the opposition to provide the discovery, or grant in part and deny in part, and only require some of the discovery to be provided. Parties in a technical case often operate under a Protective Order that governs the disclosure and use of confidential information. Such orders contain a number of provisions relevant to the protection of evidence, including the process for designating confidential information and challenging such designations, who may see certain categories of documents, and the process for sealing documents and/or testimony in court proceedings. Parties are also allowed to issue subpoenas to non-parties to provide documents and oral testimony.

**25. How is information and evidence submitted to the court scrutinised? For example, is cross-examination available and if so, how frequently is it employed in practice?**

At trial, parties may enter almost all relevant information and evidence; that is, evidence by which facts can be proven or disproven at trial. Generally, parties may enter physical evidence, documentary evidence, testimonial evidence (witness and/or expert testimony), and/or demonstrative evidence. Prior to trial, parties will often file motions seeking to limit or exclude the evidence that can be presented at trial. Evidence that is admitted at trial is scrutinized by the factfinder, often a jury, and by the opposing party, through cross-examination or introduction of contrary evidence.

This scrutinization - by cross-examination and introduction of adverse evidence by an opposing party - is employed in almost every case. Indeed, this scrutinization plays an indispensable role in finding the true and essential facts in any given case.

**26. What defences to infringement are available?**

**Patents:**

The most common defenses to a claim of patent infringement are non-infringement and invalidity. Non-infringement requires a showing that not every claim element is present in the accused product/process. Invalidity requires the challenger to prove that the patent holder did not satisfy the statutory requirements to obtain the patent in the first place, because, for example, the patent is directed to patent-ineligible subject matter, or prior art exists that anticipates or renders obvious the asserted patent. Finally, another potential defense is that even if the patent is valid and infringed, it is nonetheless unenforceable due to inequitable conduct during prosecution of the patent before the USPTO.

**Trademarks:**

Similar to patents, the most common defenses to trademark infringement are non-infringement (no likelihood of consumer confusion between the marks) and invalidity (invalid mark or registration). However, an accused infringer may also argue “fair use” of the mark, and in some circumstances, that use of the mark is protected speech under the First Amendment of the U.S. Constitution.

### **Copyrights:**

In terms of copyright infringement, the most common defenses are that the allegedly copied work is not copyrightable (deserving of copyright protection) and/or that the accused work was independently created. If the accused work was created without any knowledge of the copyrighted work (i.e., created independently), there is no infringement because there was no copying. It is also not an infringement to make “fair use” of a copyrighted work “for purposes such as criticism, comment, news reporting, teaching..., scholarship, or research.” 17 U.S.C. §107.

### **Trade Secrets:**

There are three primary defenses to a charge of trade secret misappropriation. First and foremost, a showing of independent development. A defendant may also argue that the material subject to the trade secret was already in the public domain. And finally, a showing that the trade secret owner did not take proper efforts to keep the material secret.

## **27. Who can challenge each of the intellectual property rights described above?**

### **Patents:**

As discussed in response to Question 7, third parties can challenge a pending patent application during prosecution by submitting prior art and/or by filing a protest.

Accused infringers can also challenge the validity of an asserted patent during litigation. Third parties can also challenge rights in an issued patent (1) in declaratory judgment actions if sufficient controversy and adversity exists between the parties and (2) in post-grant proceedings before the USPTO.

### **Trademarks:**

As discussed in response to Question 7, any person who believes that he would be damaged by the registration of a trademark may file an opposition within 30 days of the trademark application receiving preliminary approval from the examining attorney and being published.

Accused infringers can also challenge the validity of the mark and registration during

litigation. A third party who believes that he is or will be damaged by registration of the mark may file a petition to cancel the mark with the USPTO.

**Copyrights:**

Accused infringers can challenge the copyrightability of a work during the legal proceedings. The Copyright Office does not invite, and generally will not entertain, requests to cancel a registration by any third party.

**Mask Works:**

Accused infringers can challenge the protectability and registration of the mask work during litigation. Like copyrights, the Copyright Office does not invite, and generally will not entertain, requests to cancel a registration by any third party.

**28. When may a challenge to these intellectual property rights be made (e.g. during any registration process or at any time during the subsistence of the right)?**

**Patents:**

During the pendency of a patent application, and before any patent right is conferred, a third party may oppose patentability by filing a preissuance submission with the USPTO. Parties may also challenge patent rights after grant and during any litigation of those rights.

**Trademarks:**

Any party who may be damaged by the mark may oppose registration during the registration process. Parties may also petition the USPTO for cancellation after registration of the mark. Finally, an accused infringer may challenge the validity of the mark at any time during litigation.

**Copyrights:**

Accused infringers can challenge the copyrightability of a work during litigation.

**Mask Works:**

Accused infringers can challenge the protectability of a mask work during litigation.

**29. Briefly, what is the forum and the procedure for challenging each of these**

## **intellectual property rights and what are the grounds for a finding of invalidity of each of these intellectual property rights?**

### **Patents:**

In federal court, at the USPTO, or before the ITC, a challenger may raise the issue of patent validity. The patent will be invalidated if it is found not to conform with any of the statutory requirements of the Patent Act (35 U.S.C. §§1 et seq.). That it is, it is not directed to patentable subject matter (§101); not new or novel (§102); obvious over the prior art (§103); or the written description is deficient (§112). It is important to note that validity determinations by the ITC are not binding on district courts. However, such determinations do serve as persuasive evidence to the courts.

### **Trademarks:**

Similar to patents, a challenger may raise the issue of trademark or registration validity in federal court, at the USPTO, or before the ITC. Procedurally, invalidity is generally raised as a defense to infringement, but can also be raised by one who believes that he is or will be damaged by registration of the mark. A party may challenge the validity of a mark by arguing that the mark is generic, descriptive, lacking secondary meaning, that there was fraud in the procurement, or has been abandoned.

### **Copyrights:**

Procedurally, any challenges to copyrights are generally raised as a defense to copyright infringement in federal court or at the ITC. The most common ground for invalidating a copyright is by a showing that the work fails to meet the requirements of copyrightable material.

## **30. Are there any other methods to remove or limit the effect of any of the intellectual property rights described above, for example, declaratory relief or licences of right?**

In certain circumstances, namely, when an owner of IP rights accuses another of infringement, the accused party can challenge those rights in a declaratory judgment action. A court will then hear and adjudicate a claim of non-infringement or invalidity of the IP rights.

Under an intellectual property license, the owner retains ownership of the IP, but by granting permission to the licensee to use the IP, limits the rights of the owner to sue the licensee, or potentially a sublicensee, for infringement.

## **31. What remedies (both interim and final) are available for infringement of each of the**

## **intellectual property rights described above?**

It can be months, even years, before disputes over IP rights are resolved. Because of this, IP owners can petition the court for interim relief in the form of a temporary restraining order (“TRO”) and/or a preliminary injunction (“PI”). Either form of relief prohibits the parties from doing an act, i.e., infringing, in order to preserve the status quo. To succeed on a request for a TRO or a PI, the party must show (1) a likelihood of success on the merits of the underlying claim(s), (2) that it will suffer irreparable injury unless the request relief is issued, (3) that the balance of the hardships favors the movant, and (4) that the remedy is not adverse to the public interest.

In any IP lawsuit, the plaintiff will likely seek monetary damages. A prevailing patent owner, for example, may be awarded a reasonable royalty (the fair market value of a license that a hypothetical negotiation would have produced) or lost profits. In trademark litigation, a prevailing trademark owner may obtain the defendant’s profits from selling goods and/or services in connection with the infringing mark. For copyright infringement, a prevailing copyright owner may be awarded actual damages or defendant’s profits or statutory damages. In each case of infringement – patent, trademark, and copyright – damages may be enhanced if the infringement is willful.

A plaintiff might also seek an injunction to prevent future infringement. An injunction is a court order requiring a person or entity to do or cease doing a specific action. To succeed on a request for an injunction, the plaintiff must show that it has no other adequate remedy (such as monetary damages), it has suffered an irreparable injury, the benefit to the party seeking the injunction outweighs the burden of the opposing party, and whether the issuance of the injunction would be in the public interest.

The only remedy available from the ITC is to block the importation of infringing goods into the U.S.—as such, monetary damages are not available.

### **32. What are the costs of enforcement proceedings and is any kind of costs recovery available for successful parties? Is there a procedural mechanism enabling or requiring security for costs?**

As discussed in response to Question 18, the average cost of these various proceedings varies depending on the complexity of the case and the overall value of the property, but can range from less than \$500,000 on the low end to more than \$10 million on the high end. These factors can include for patent cases, for example, the number of asserted patents, the number of accused products, the amount of discovery, whether appeals are made, whether patents are challenged via post-grant proceedings, and whether International Trade Commission investigations are at play.

Under the American Rule, opposing parties in a legal matter must pay their own attorneys fees, regardless of who wins the case. In very limited instances, however, a court may award

reasonable attorneys fees to the prevailing party. *See* 35 U.S.C. §285 (awarding attorneys fees to prevailing party in “exceptional cases”).

**33. Has the COVID-19 pandemic caused any changes (temporary or permanent) to the protection or enforcement of intellectual property? For example, changes to deadlines, filing or evidence requirements or court processes.**

As of April 29, 2020, the USPTO extended certain patent and trademark deadlines to June 1, 2020. On April 30, 2020, the USPTO offered assistance through time extensions and fee deadlines, as well as flexibility on hearings, such as offering video conferences or postponements.

On May 27, 2020, the USPTO announced that it would grant relief for certain patent-related fees and deadlines. Specifically, for small and micro entities, filings that would have been deemed timely filed, if filed by June 1, 2020 pursuant to the CARES Act Notice dated April 28, 2020, are deemed timely filed if filed by July 1, 2020. For large entities, after May 31, 2020, relief is available to those who need it on a case-by-case basis.

On June 12, 2020, the USPTO announced that a new COVID-19 prioritized examination program for certain trademark and service mark applications. Under this new program, the USPTO will accept petitions to advance the initial examination of applications for marks used to identify qualifying COVID-19 medical products and services. Additionally, the USPTO will waive the fee for such petitions.

The COVID-19 pandemic also led to postponing or vacating in-person hearings and trials in courts across the country. Many courts now use the video-conferencing app Zoom or use the phone to conduct hearings.

Effective March 17, 2020, the ITC postponed all in-person Section 337 hearings for 60 days. On May 14, 2020, the postponement of in-person hearings was extended until July 10, 2020. As far as evidentiary hearings are concerned, those scheduled through June have been moved to a later date or postponed indefinitely. For those with hearing dates in July, August, or September, discovery has been extended and specific dates for evidentiary hearings have been moved to the fall.