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Top Ten Intellectual Property (IP) Law Traps

Intellectual property (IP) law is a deceptively complex area of law. IP law is very rules based, and the rules vary depending on the type of IP protection. Non-IP attorneys and individuals who attempt to practice IP law without the assistance of an IP attorney often run into trouble. Here are ten common traps.

Copyright

1. Copyright law is one of the few areas of law where transfers of rights must usually be in writing (real estate is the other obvious example.)

2. The owner of the copyright is the person who created the work, not the person who paid for it. You hire someone to design a website for you. It is your website. You paid for it. But absent a written agreement to the contrary, the website developer owns the copyright in the website.

3. It is deceptively easy to end up accidentally jointly owning the copyright instead of owning it outright. Say you write a software game program, but you hire an outside firm to handle the sounds. It is quite possible for the outside firm to own part of the copyright in the entire software game program. (This is called joint authorship.) This is easy to fix with a written agreement that covers copyright ownership.

Trademark

4. The right to register a federal trademark belongs to the person who used the mark first in interstate commerce, not the person who filed a registration first. But if the first person to use does not object to the other person's improper federal registration within five years of registration, they may permanently lose the right to object.

5. You do not lose copyright rights by not policing your rights, but you can lose trademark rights by not aggressively policing your rights.

6. One way you can fail to police your rights and lose your trademark is if you license someone to sell your widgets under your trademark and the license agreement does not allow you the right to police the other party's use of your mark.

Copyright and Trademark Registration

7. Copyright rights and trademark rights are both created automatically. Copyright rights exist as soon as you create something. Trademark rights exist as soon as you use a trademark in commerce. But in each case, you gain considerable additional protection by registering your rights. People often neglect to register.

Copyright registration is only at the federal level. It is fairly straightforward and can usually be done by a non-lawyer. (Practice Tip: Have you registered the copyright in your website and other marketing materials?) Trademarks can be registered at both the state and federal level. State trademark registration is also fairly straightforward but does not help much. Federal trademark registration is deceptively complex. Sometimes a federal trademark registration will be approved as submitted, but quite often it will not. You may need to negotiate with the Trademark Office, and there is a specialized technical language that they use and expect you to use as well. When trying to register a trademark federally, it is best to use an attorney who is familiar with the federal trademark registration process.

Trade Secret

8. A customer list is considered a trade secret. An employee cannot take a physical copy of the list with them when they leave a company. If the employee memorizes the list, that is considered the same as taking a physical copy.

Non-Compete Agreements

9. In Washington, where I practice law, a non-compete agreement entered into after the employee has started working for a company is not enforceable unless the employee is given new consideration for signing the agreement. The right to continue working for the company and to not get fired is not considered new consideration. *Labriola v. Pollard Group, Inc.*, 152 Wn.2d 828, 834, 100 P.3d 791 (2004).

Family Law and Estate Planning

10. Intellectual property is property. Yet I often see a divorce property settlement agreement or a will where there is no mention of intellectual property. Have you written a book, or painted a picture, or created other intellectual property? If so, it should be accounted for in the legal documents.

Gary enjoys working with creative people including entrepreneurs, small business owners, people who create new technology, and artists. His practice includes:

- Computer/Internet Law & Litigation
- Intellectual Property (copyright, trademark, trade secret & licensing)
- Art & Entertainment Law
- Corporate/Business Law
- Complex Business Litigation

Other Publications by this Author

The following publications are available for free download at the Law Offices of Gary Marshall website on the resources page at <http://www.marshallcomputer.com/resources.html>.

Publications for Entrepreneurs

[**Top Ten Legal Mistakes Entrepreneurs Make \(and how to avoid them\)**](#) (pdf file): Advice on how to avoid the most common legal mistakes that entrepreneurs make when starting and growing a business.

[**Intellectual Property \(IP\) Licensing Agreements Top Ten**](#) (pdf file): The ten most important factors you should keep in mind when drafting licensing agreements.

[**Legal Issues for Online Sellers**](#) (pdf file): An overview of the legal issues you need to be aware of as an online seller.

[**Legal Issues for Online Publishers**](#) (pdf file): An overview of the legal issues you need to be aware of as an online publisher.

Publications for Artists

[**Copyright Basics**](#) (pdf file): A brief overview of Copyright law - the basic form of legal protection for most artistic works, including maximizing protection for your works, copying someone's else's works, recent changes in copyright law and the impact of the Internet.

[**Dangerous Talk: Speech and the Law**](#) (pdf file): A basic overview of speech law, including the ongoing battle between the constitutional protections of First Amendment Free Speech and Freedom of the Press versus restrictions on criminal and obscene speech, personal liability for harmful effects of speech, defamation (libel and slander), and rights of privacy and publicity, and how this balance is changing in the post September 11th world.

[**Publication and other Literary Contracts**](#) (pdf file): An overview of publication contracts and agent agreements, including what to ask for and what to look out for. Also covers the basics of simple contracts you should be writing in the course of the ordinary day-to-day business of being a writer.

[**Electronic Rights and the Writer**](#) (pdf file): A guide to the ever changing world of electronic rights for writers. The Publishing Market is increasingly turning to electronic distribution on the Internet, computers, E-books, cell phones, iPads and other types of mobile electronic devices. In a way this is the new wild west for writers. Because it is a market that is expanding rapidly and changing all the time, the rules regarding electronic rights are also changing all the time.

Publications of General Interest

[**Top Ten Intellectual Property \(IP\) Law Traps**](#) (pdf file) Intellectual property (IP) law is a deceptively complex area of law. IP law is very rules based, and the rules vary depending on the type of IP protection. Non-IP attorneys and individuals who attempt to practice IP law without the assistance of an IP attorney often run into trouble. This article presents ten common traps.

Also check out Gary Marshall's Technology Law Blog at <http://marshall2law.com/>.

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This article is not intended to be a substitute for personalized legal advice. I have presented only an overview of the legal issues. These examples are oversimplified. Although they apply most of the time, I omitted all of the caveats for when they do not apply. Do not rely on these rules without seeking specialized IP law advice first. There are many nuances and some exceptions to these general legal principles. The Law can vary from state to state. This general legal advice may not apply in your state. The law is constantly changing, especially in the areas addressed in this article. In addition, real problems are usually very fact based. This brochure may contain descriptions of legal experiences and outcomes of prior cases. Each legal matter is composed of unique issues and these examples are not intended to promise nor do they guarantee future results. Every situation is different and the law may apply differently depending on the specific facts of your case. This brochure and any discussion with the author or talks by the author related to this brochure do not create an attorney-client relationship. If you have a specific legal problem, you should consult an attorney.