



E-Commerce Intellectual Property Protection Issues

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Topics

- **IP Law Most Applicable to Internet**
 - **Copyright & Rights of Privacy and Publicity**
 - **Trademark**
 - **Patent**
 - **Trade Secret**
- **Domain Names; Trademarks; Meta-Tagging**
- **E-Commerce Patenting**
- **Security Issues**



Right to Copyrights

- **Title 17 of the United States Code**
- **For certain “works of authorship”, grants exclusive rights to the author to make and distribute copies of the work**
- **Limited “Fair Use” exception provided for extracts -- issue often boils down to effects of copying on market for original work**



Copyrights On Internet Like Elsewhere

- **Basic point to remember is that Internet is like the rest of the copyright world**
- **Copyrights apply on Internet as elsewhere**
- **Web sites automatically copyrighted -- assume can't copy anything unless express permission (or federal documents)**
- **But Internet has made infringement much easier to accomplish**



Software Copyrights

- **Leading Case on Infringement -- *Computer Assocs. Int'l v. Altai, Inc.*, 126 F.3d 365 (2d Cir. 1997), *cert. denied*, 523 U.S. 1106 (1998)**
- **Practice pointer -- independent contractor owns copyrights unless signed agreement**
- **Many people assume that if you pay for something to be developed, you get the copyrights -- true only as to true employees**



Right of Privacy -- Appropriation of Name or Likeness

- **Restatement (Second) of Torts § 652C**
- **Occurs when one's name or likeness is appropriated for another's benefit**
- **As with copyrighted material, best assumption is that permission is needed**



Related Right of Publicity

- **Involves control over legal right to exploit name, image, or character traits of a living (and in some states, dead) person**
- **Prevents unauthorized commercial use of:**
 - **name;**
 - **likeness (including lookalikes (Vanna White));**
 - **voice (soundalikes (Bette Midler)); or**
 - **other identifying feature (“Here’s Johnny!”).**



Domain Names; Trademarks; Meta-Tagging -- Topics

- **Domain Name Dispute Resolution**
- **Trademark Rights**
- **Meta-Tagging and Framing in Web Pages**
- **Keywords Purchased from Search Engines**

Domain Name Administrative Organizations

- **Internet Corporation for Assigned Names and Numbers (ICANN) -- <http://www.icann.org>**
- **World Intellectual Property Organization (WIPO) -- <http://www.wipo.int>**
- **National Arbitration Forum (NAF) – <http://www.arb-forum.com>**



ICANN Domain Name Disputes

- Policy at <http://www.icann.org/udrp/udrp.htm>
- Can initiate arbitration proceeding to seek to have domain transferred
- Issue usually boils down to presentation of “Evidence of Registration and Use in Bad Faith”, see subsection 4(b)



Trademark and Related Rights (1)

- **Trademark**
 - Name or phrase used to associate goods and/or services with company; e.g., McDonalds
- **Unfair Competition**
 - Cause confusion as to source
- **Dilution**
 - Nationally “Famous” trademark gets defamed
- **Cybersquatting**



Trademark & Related Rights (2)

- **Trademarks and Dilution**
 - **Federal Lanham Act; 15 USC Secs. 1051 et seq.**
 - **Dilution; 15 USC Sec. 1125(c)**
 - **State; NMSA Chapter 57, Article 3B**
 - **Best to register marks with U.S.P.T.O.**
- **Unfair Competition / Unfair Practices**
 - **Federal; 15 USC Sec. 1125(a)**
 - **State; NMSA Chapter 57, Article 12**



Trademark & Related Rights (3)

- **Cybersquatting**

- **P.L. 106-113 (Dec. 1999), 15 U.S.C. § 1125(d)**
- **Civil action for registering, trafficking in, or using a domain name with bad faith intent to profit from mark of another**
- **Statutory damages of up to \$100,000 per domain name, plus attorney's fees (15 U.S.C. § 1117)**



Meta-Tagging; Frames

- **Web sites can infringe trademark rights or unfairly compete in new ways**
- **Meta-Tagging -- placing a keyword within source code for a web site, the keywords being picked up by search engines**
- **Framing -- technique that can make it appear that info on another web site is on yours; disclaim and ID when switch occurs**



Keywords Purchased from Search Engines

- Search engines sell “sponsored searches”
- Some good about taking down those that are trademarks of others, e.g., Yahoo.com
- Others not so good, e.g., Google.com’s AdWords
- Law unclear – in *GEICO v. Google*, distinction between ads whose displayed text contains trademark and those that do not



E-Commerce Patents (1)

- **Can patent any new, useful, and non-obvious invention (35 U.S.C. § § 101-103)**
- **Can be a process, machine, composition of matter, including computer software or method of doing business**
- **Not if “would have been obvious at the time the invention was made to a person having ordinary skill in the [pertaining] art”**



E-Commerce Patents (2)

- **Term of patent is for 20 years from the date application was made (35 U.S.C. § 154)**
- **Claims at end of patent define “metes and bounds” of one’s patent rights**
- **Patent infringed if a party without authority makes, uses, offers to sell, or sells in the U.S., or imports into the U.S., the claimed invention (35 U.S.C. § 271(a))**

E-Commerce Patents (3)

- **Federal Circuit opened door to “business method” patents, historically unpatentable; BPAI on board in 2005 (*Ex parte Lundgren*)**
- **Example: Amazon’s U.S. Patent No. 5,960,411 on its “one-click” checkout process**
- **Barnes and Noble enjoined in *Amazon.com Inc. v. Barnesandnoble.com Inc.*, 1999 U.S. Dist. LEXIS 18660 (W.D. Wash.)**



E-Commerce Patents (4)

- **Usual manner to initiate patent process in U.S. is to file a provisional patent application**
- **Affords “patent pending” status for one year, giving time to raise capital, etc.**
- **Need technically complete description; no particular formality necessary; cost of about \$1000**



E-Commerce Patents (5)


- **Practice Pointers**

- **File a patent application before any public disclosure activity, which can be a publication, an offer to sell the invention, public use of the invention, etc. (see 35 U.S.C. § 102)**
- **Employ Non-Disclosure Agreements with third parties (then not a public disclosure)**
- **Otherwise, can lose ability to patent, including in foreign countries**



E-Commerce Patents (6)

- **Patents Your Site May Be Infringing...**
 - **Burst.com's streaming patents, U.S. Patent Nos. 4,963,995; 5,995,705; 5,057,932 and 5,164,839**
 - **Forgent Network's lossy compression patent, U.S. Patent No. 4,698,672**
 - **Others lurking; "patent troll" phenomenon; depending on your point of view, "underdog" may be better description**

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Security -- Topics

- **Security Threats and Countermeasures**
- **Computer Crimes**
- **Trade Secrets**



Threats to Security

- **Computer Hacking, Viruses, Worms, Trojans, Spyware, "Malware"**
- **Ease of Copying Materials**
- **Access of Web Sites recorded**
 - **Assume you are identifiable**
 - **Use <http://www.anonymizer.com>**



Countermeasures (1)

- **Encryption -- Pretty Good Privacy**
(<http://www.pgp.com>)
- **Certificates (<http://www.verisign.com>)**
- **Knowledge**
 - **Information Technology Association of America (<http://www.itaa.org>)**
 - **Electronic Privacy Information Center (<http://www.epic.org>)**



Countermeasures (2)

- **Get security suite software (e.g., Symantec)**
- **Keep up-to-date on hardware firewalls**
- **If you are Windows-based, be sure to subscribe to Windows Secrets Newsletter (<http://www.windowssecrets.com>)**

Security Related Computer Crimes (1)

- **State**
 - **Computer Abuse -- NMSA § 30-45-4**
 - **Willfully and without authorization altering, changing, damaging, disrupting, or destroying any computer, network, software, database, ...**

Security Related Computer Crimes (2)

- **Federal - Miscellaneous**
 - **Wire Fraud, 18 U.S.C. § 1343**
 - Scheme or artifice to defraud
 - **Copyright Infringement, 17 U.S.C. § 506**
 - Willful infringement, retail value above \$1,000
 - Must be for purpose of “commercial advantage” or “private financial gain”

Security Related Computer Crimes (3)

- **Federal - 18 U.S.C. § 2701 et seq.**
 - **Electronic Communications Privacy Act (ECPA)**
 - **Intentional access without authorization a facility through which an electronic communication service is provided; or**
 - **Exceeds authorization and obtains, alters, or prevents authorized access to e-mail**
 - **Civil Action, may receive attorney's fees and punitive damages, 18 U.S.C. § 2707**



Trade Secrets (1)

- **Trade secrets protected by state and federal statute and common law**
- **Uniform Trade Secret Act; NMSA Chapter 57, Article 3A**
- **Federal Act; 18 USC Secs. 1831 et seq.**



Trade Secrets (2)

- **In short, anything held secret which grants a competitive advantage over competitors**
- **Technological processes, formulas, customer and supplier lists, etc.**
- **Watch for accidental exposure over Internet via Web Site or security glitch**