Prologue: A social activist’s guide to intellectual property

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This book is about using intellectual property, the most valuable natural resource of the information age, to build economic and political empowerment. To gain control over your intellectual property – the products of your mind, talent, and cultural traditions – is to gain control over resources that can give you the leverage to do business in the national and global marketplace on a level playing field.

Although today we encounter the term almost everywhere, for most people, “intellectual property” is still an arcane and intimidating phrase. Many people, communities, and developing nations have highly valuable intellectual property, but because they do not understand what they have, or how to protect and exploit it, they do not enjoy the benefits their property could bring. Moreover, we should know from history that even if you possess the most valuable treasure in the world, if you do not understand what you have, someone who does will take it away from you.

The purpose of this “IP Primer” is to de-mystify intellectual property and provide a succinct and plain language explanation of the subject. It has been written for the lay person – from the small business owner to the social activist, from the artist to the clergyman, from the student to the politician – for anyone seeking economic or social or political advancement for themselves or for their community. The basic concepts and principles of intellectual property are relatively easy to understand, and will likely be surprising as you discover how much intellectual property you already own.

INTELLECTUAL PROPERTY (IN FIVE PAGES OR LESS . . .)

There are four types of intellectual property generally recognized in the global marketplace: patents, copyrights, trade secrets, and trademarks. Some countries recognize a fifth kind of intellectual property, referred to
as the right of publicity. 1 Each type of intellectual property has specific characteristics, and in some cases, certain administrative steps must be followed in order to protect it. 2 Once the necessary requirements have been satisfied, the owner of intellectual property acquires certain legal rights, which differ depending upon the type of intellectual property involved. The specific characteristics, administrative steps, and accompanying legal rights for each type of intellectual property are briefly summarized.

**Trade Secrets**

Trade secrets are the oldest form of intellectual property, dating back at least 4,000 years. A trade secret is any secret, valuable information used in a business, which provides an actual or potential competitive advantage. This can include business information such as customer lists, marketing strategies, and financial information, but it can also include secret cooking recipes, home remedies, hair care techniques, manufacturing processes, and secret formulas (like Coca-Cola). Unlike some other kinds of intellectual property, there is no special legal registration process to follow to protect a trade secret – all that is needed is that the owner take proper measures to keep the information secret, such as filing it in locked drawers or “restricted access” areas, or requiring your employees and others to sign confidentiality and “non-competition” agreements.

The owner of a trade secret is protected from misappropriation of her secret by others. A trade secret is misappropriated when someone obtains it by dishonest means, such as by stealing a document, or where the owner disclosed the secret in exchange for a promise that it would be kept secret and the promisor breaks her promise. On the other hand, if the information is made public by the owner, even by mistake, it loses its status as a trade secret. To defend against an action for trade secret misappropriation, a defendant can argue that the information was already generally known or that she obtained the information through honest means, such as through

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1 Among the countries that recognize right of publicity or personality rights are the United States, Australia, Canada, Cyprus, Denmark, France, Germany, Greece, Guernsey, Hong Kong, Jamaica, People's Republic of China, and Spain. See e.g. M. Thomas McCarthy, *The Rights of Publicity and Privacy* 1-2.1 (2nd edn, West Group 2002).

independent research or “reverse engineering” (that is, buying a product and then analyzing it to discover its ingredients or chemical composition).

**Patents**

Patents protect useful innovations, commonly referred to as inventions, such as machines, chemical compounds, articles of manufacture (such as a pair of shoes), and also methods or processes for performing tasks or manufacturing products. Inventions, including improvements upon pre-existing technologies, are eligible for patent protection if they are *useful*, *new*, and “*non-obvious*”. To qualify for a patent all three of these requirements must be met.

For an invention to be considered useful it simply has to do something, such as a machine that grinds a substance into powder, or a chemical compound that helps you to sleep. To determine whether an invention is also new and non-obvious, it is necessary to look at those inventions which already exist, which is referred to as the “prior art”. If the invention is already present in the prior art then it is not new. If the invention is a variation upon something in the prior art then it is not new. If the invention is a variation upon something in the prior art, while it might be “new” in the sense that no one has done it before, it might be considered “obvious”, and therefore not patentable.

For example, if someone invents a machine that grinds peppercorns into powder, that invention would be useful, and if that grinding method is not already in the prior art, it will also be new and non-obvious. Afterwards, if another person designs a peppercorn grinding machine which works on the same principles as the first, and just adds a set of smaller grinding gears to produce a more fine powder, the resulting machine would be useful and arguably even “new”, but the addition of the gears would likely be considered “obvious”, and consequently this later machine would not be patentable.

In order to obtain a patent the inventor must follow a formal procedure referred to as “patent prosecution”, which involves the preparation of a detailed application which describes the invention, how to make and use it, and states which of its features are claimed to be inventive. The application is filed with the patent office with the appropriate fees and the invention is considered to be “patent pending”. If the invention satisfies the legal requirements, the patent office issues a patent, which generally lasts for 20 years.\(^3\) A patent prevents others from making, using, selling, 

\(^3\) Patent prosecution can be lengthy and expensive; for this and other reasons, some inventors choose instead to protect their inventions as trade secrets.
or importing the invention, and unauthorized engagement in any of these acts constitutes patent infringement. To defend against patent infringement litigation, defendants can argue that their conduct does not fall within the scope of the inventive claims of the patent, or that the patent office erred in issuing the patent in the first place, and thus the patent is invalid and unenforceable.

Copyrights

Copyright protects *original, creative* expression, such as a story, song, or a drawing, once it becomes “fixed in a tangible medium”, meaning put on paper, canvass, or film, for example. Under the copyright law, a work is considered “original” so long as it has not been copied from someone else; consequently two authors who unknowingly produce the same work would each have an “original” expression. The requirement that the work be “creative” is not an assessment of artistic merit or quality; almost any personal choice of wording, sounds, colors, materials, etc. will reflect at least minimal creativity and will satisfy this requirement.

Literary, dramatic, musical, and other artistic material are all examples of copyrightable expressive works. Other kinds of expressive works, such as educational and instructive materials, including newspaper articles, sermons, gospels, textbooks, recipe books, instruction manuals, and even computer software programs (which are essentially instruction manuals written for computers) are also copyrightable. Just as artistic works express or describe aesthetic ideas, these other works express or describe factual concepts or information, and copyright protects all kinds of creative expression whatever the subject. Whether the work is artistic or informational, however, copyright protection extends only to the author’s individual expression (that is, her specific sentences) and not to the underlying idea or factual information embodied within the work. Thus for example, in a copyrighted novel about gunfighters in the Old West, the copyright covers the author’s specific wording but not the idea of gun-fighting in the Old West; others are free to write their own Old West stories, so long as they tell them in their own words.

Unlike patents, copyright protection arises upon fixation of the expression without the need for formal registration. However, certain administrative steps, such as registering the work with the copyright office, are required before a copyright can be enforced in court. Also unlike patents, copyright registration is easy and inexpensive – typically the applicant simply fills out a registration form which describes the work and submits it with a nominal registration fee. Copyright generally lasts for the life of the author plus 70 years.
A copyright provides the copyright holder with certain “exclusive rights”, meaning that no one is permitted to engage in these uses of the work without the author’s permission. These exclusive rights include the right to make a copy or distribute copies of the work; perform or display the work in public; or prepare a derivative version of the work (such as making a sequel, or making a collage which includes a copyrighted photograph). Engagement in any of the exclusive rights without permission constitutes copyright infringement. To defend against copyright infringement a defendant can argue that the work is not copyrightable (that is, not original or creative) or that her conduct does not constitute engagement in any of the exclusive rights. In certain countries, including the United States, a defendant can also argue that she is permitted to engage in the author’s exclusive rights under legal doctrines such as “fair use” or “fair dealing”, which permit unauthorized uses for important public purposes, such as academic or journalistic uses.

**Trademarks**

Trademarks are words, symbols, colors, phrases, designs, sounds or combinations of these which are used to identify the source of goods or services, and to distinguish the goods and services of one seller from those sold by others. A trademark conveys an expectation of a certain quality (or lack thereof) of the goods or services produced by that source. A good example is the brand burnt by a cowboy to mark the cattle from a particular ranch.

A source identifier must be “distinctive” in order to qualify as a trademark, meaning that it must serve to identify and distinguish the source, as opposed to describing the product. For example, the word “banana” would not be distinctive for selling bananas, because it describes the product as opposed to identifying its source, whereas “Chiquita” is distinctive for selling bananas, as in “Chiquita Bananas”, which identifies bananas which are sold by the Chiquita Company. Trademark law recognizes the following spectrum of distinctiveness, from the most distinctive (which receives the strongest trademark protection) down to no distinctiveness (which receives no trademark protection): inherently distinctive or fanciful (for instance, “Kodak”, a term that was made up to identify the product source) or arbitrary (for instance, “Apple” for selling computers); suggestive (for instance, “Grameen,” which means rural, for banking services for impoverished villagers in Bangladesh); descriptive (for instance, “Daily News” for newspapers), and finally generic, which applies to terms that have no distinctiveness and cannot serve as a trademarks (i.e., “banana” for bananas, “chair” for chairs, etc.)
Similar to copyrights, while it is not necessary to register a trademark, registration provides several important, sometimes even critical rights. For example, the first to register is generally entitled to the trademark. Registration is undertaken by submitting the trademark and specifying the goods or services with which it is associated (for example, Coca-Cola for soft drinks). If there is no prior and confusingly similar mark, the registration is granted, which lasts 10 years, but can be renewed, in theory, forever.

A trademark owner can prevent others from using confusingly similar marks in connection with similar products (such as the case involving the “Mixed Chicks” hair products for women of color, which is discussed in the next chapter). Indeed, registering a brand name as trademarks can provide a valuable business asset to both start-ups and major corporations alike. The problem of counterfeit goods provides a good example: same mark, same product, but false source, such as the fake “Rolex” watches sold on many street corners; unwary consumers recognize the brand name and are deceived into believing that they are purchasing the genuine article. Another example would be using “Rohlex” or “Ralex” to sell watches, which would also likely confuse consumers into believing that they are buying Rolex watches. In a trademark infringement suit the key issue weighed by the court is whether it is likely that consumers will be confused if the defendant is allowed to use the same or a similar mark.

To defend against a trademark infringement claim a defendant can argue that her mark is not confusingly similar to that of the trademark owner. Owners of famous trademarks can also prevent others from “diluting” their marks, by using them on other goods, even if there is no confusion. For example, the use of “Toyota” to sell breakfast cereal might be prevented under the dilution right, even though no one would be confused into thinking that the auto manufacturer had manufactured the cereal.

Publicity Rights

The right of publicity protects an individual from the unauthorized commercial use of her name, likeness, or other recognizable attributes. Obvious examples include the use of a person’s name or photograph on a product or in an advertisement, but the right also precludes more creative or complex uses, such as the unauthorized creation and use of a college athlete’s “avatar” in a computer video game. Similar to trade secrets, no government registration process is required to protect or enforce the right of publicity. To defend against an action for infringement upon publicity rights, a defendant can argue that her activity does not refer to the plaintiff. A defendant can also argue that her conduct is protected by the First
Amendment, such as when the defendant refers to the plaintiff in a newspaper story or a novel. In these cases, the court will have to balance these competing rights, which can make the outcome very difficult to predict.

**Entrepreneurial Exploitation**

The owner of intellectual property can exploit her property commercially, by distributing it directly to the public – for example, through a business on the Internet. However, many inventors and artists, especially those in historically marginalized communities and many developing nations, lack the resources to undertake commercial production and distribution of their intellectual property. Consequently they typically enter into agreements with entities that have such resources, such as recording companies and pharmaceutical corporations. Usually the IP owner will license the right to produce and distribute her intellectual property in exchange for a fee, typically a royalty paid on each item sold. For example, the inventor of a drug who does not have her own laboratory and manufacturing plant can obtain a patent for her drug and then license the right to make, use or sell the drug to a pharmaceutical corporation, which will then produce and sell the drug to the public and pay royalties to the patent owner.

Intellectual property owners can exploit their rights for personal gain, to support a progressive social agenda, or both. With a basic understanding of intellectual property principles, you can start or expand a business, enter into licensing agreements, protect important cultural knowledge and traditions, and advance other important economic, social, and political goals. For example, intellectual property rights can determine whether low-income communities will have affordable access to educational materials, or whether people in a developing nation will have affordable access to drugs and medicines. As you read the chapters in this book, you will learn about the many ways in which intellectual property affects, and can be used to affect, the quality of life for individuals, communities, and even entire nations.4

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