

# The Complexity of Intellectual Property

## INTRODUCTION

Intellectual property (IP) has existed ever since mankind began creating goods used in commerce. Records of IP law date back to medieval Europe in the 1500s when regulations were created to restrict the paper industry so the government could control what ideas were being printed and shared with the common people. Although the first IP laws were started due to political and religious reasons, soon after laws were created to grant the first inventor of a product the rights of that product for a certain period of time. This concept has evolved into the complex structure that IP laws are today.

IP refers to any creation that is tangible or intangible and used in commerce. There are two types of IP: 1) inventions with patents, designs, and trademarks and 2) copyrighted items including artwork, writing, music, and more. Both these types involve a person's or company's original work; however, the level of formality and protection differ greatly. Patents and registered trademarks go through a complex series of submissions and approval before being provided with legal protection. Copyrighted items, on the other hand, can be both serious and minimal. Any fixed form of writing or artwork that a person or company can call their own is copyrighted automatically, even if the owner is not aware of it. Those who wish to reproduce someone else's intellectual property must normally secure permission from the creator before doing so.

There are exceptions to IP law, including fair use and public domain. Fair use refers to the ability to use part of another's copyrighted work without securing permission. For instance, certain parts of a work can be used for nonprofit educational purposes, such as for a classroom assignment, under terms of fair use. Fair use for works of parody will be discussed later in the analysis. Some factors to consider when determining fair use are the length of the copyrighted work to be reproduced, whether the work will be used for commercial purposes, and whether the use will substantially impact the copyright holder's profits or the value of the work. It is important to give attribution to the creator even if used under fair use. Public domain refers to works that are no longer protected under intellectual property laws or that do not qualify for IP protection. Government works and works created before 1924 are not protected under IP law. Some creators of original material might also choose to grant a license for the general public to use their materials.

This case will begin by examining three of the major IP laws with which businesses are most concerned: patents, trademarks, and copyrights. We then examine some of the major ethical issues involved with IP. The Internet in particular has made it easier to violate IP laws through the downloading and/or sharing of content. In addition, a lack of knowledge of IP law has also significantly contributed to violations. IP violations are not limited to individuals or unethical companies, however. Even established firms accuse or are accused of IP violations. Therefore, we next discuss an important case involving IP law: the court case of Apple versus Samsung. We discuss the ruling of the court and the implications this ruling has for IP law. We then examine some of the objections to IP law. We conclude with examining how collaborations such as the COUNTER project are working to standardize IP law and clarify IP regulations over the Internet.

## TYPES OF INTELLECTUAL PROPERTY PROTECTION

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Consider the following scenario. A popular company wants to enter another country. However, a domestic organization has legally obtained trademark rights to the company's name. It agrees to drop its trademark rights for a significant fee. Should the company pay the money to use its own name? This scenario demonstrates the complexity of IP law. On the one hand, the entity legally obtained rights to use the name in that particular country. On the other hand, the entity did so in the hopes of forcing the well-known company to pay to obtain the rights to use its own name.

This is what Starbucks faced when entering Russia. Although Starbucks had filed a trademark for its company name in Russia in the 1990s, it refrained from opening stores in Russia for years. In the meantime, a Russian lawyer convinced the government to annul the trademark registration because Starbucks was not conducting commerce in the country. He then registered the name Starbucks on behalf of a company he represented. He agreed to abandon his registration if Starbucks agreed to pay \$600,000. Starbucks refused, and for three years the dispute prevented Starbucks from opening stores in the country. While authorities eventually ruled in Starbucks's favor, the obstacles it faced are similar to the situations of other well-known companies operating globally in areas with different IP laws.

It is important for firms to have a strong understanding of IP law. The following section will discuss some of the rules governing different types of IP protection.

## PATENTS

One of the most publicized forms of IP is patent laws, especially within technology companies. The patent submission process can be complex and expensive, but in the competitive field of technology, electronics, and programming, owning a patent could mean the rise or fall of a company. Patents are used to drive innovation by giving the owner recognition for his or her creativity. The types of new inventions that can be patented are not limited to tangible items; they also include processes, machines, articles of manufacturing, composition of matter, and improvements to any of the items mentioned.

Although there are different types of patent documents available, the three most common are utility, plant, and design patents. Utility patents are awarded for new and useful or significantly improved products, machines, processes, and other compositions of matter. Plant patents are awarded to investors who developed or reproduced an entirely new type of plant. Monsanto's genetically modified seeds have plant patent protection. Design patents are awarded to inventors of "new, original, and ornamental design for an article of manufacture." Utility and plant patents remain valid for 20 years after the official application date, while design patents remain valid for 14 years. After a patent expires, other companies can reproduce the same or similar items.

Not everything is easily patentable. For instance, the programming of software can sometimes be patented, but there has been much discussion of whether such a patent is worth it in the long-run. In most countries, you can patent software-related inventions, but because of the time frame of getting a patent filed (which takes at least a year), the patent can become irrelevant in the ever-changing world of software. Other items cannot be patented, including laws of nature, physical phenomena, abstract ideas, literary and artistic works, or items that are not useful or that are offensive. Yet there may be exceptions even to these rules. For instance, human genes cannot be patented as they are a natural phenomenon. However, what happens if a firm genetically engineers a human gene in a laboratory, putting great time and effort into the process, to create a useful contribution to society? Is this patentable despite the fact that a gene would not normally qualify for patent protection? This issue was taken up by the Supreme Court. The judges ruled that

companies cannot patent genes they discovered even if they have succeeded in separating the gene from surrounding material. They ruled that in this instance, the company does not actually create anything. However, the judges did rule that synthesized DNA can be patented.

## COPYRIGHTS

Whereas literary and artistic works are not covered by patents, they are protected under copyright. Copyrights are a form of protection that keeps other people from infringing on a person's original and creative work. Items that are commonly copyrighted include books, art, music, movies, and any other artistic work that is fixed or stable. Unlike patents copyrights do not require the owner to submit any form of registration in order to be protected. All copyrights are protected for 70 years after the death of the owner. If there are multiple owners, then the copyright exists 70 years after the last surviving member dies. The © symbol indicates copyright ownership.

Since the copyright process is simpler than the patent or trademark protection process, people tend to think of copyright laws as being more relaxed and not as strict. Many people think that copyright violations are not serious as long as the original source is cited. Yet such an assumption is wrong. Copyright violations can result in serious penalties for violators. However, it might not always be easy to prove infringement. If a copyright is not filed, then it might be harder for an original owner to prove that he or she was the original developer of the copyrighted work. Technically, two people could develop identical works at the same time without infringement. Because copyright protection is easier to attain, this makes it easier to violate by others. For these reasons, many copyright owners choose to file a copyright registration. These registrations are important for the copyright holder to prove infringement in a court of law.

One common misconception of copyright law is that changing the original work or basing a new piece on an original copyrighted work does not violate copyrights. Unfortunately, such an assumption is false. Derivatives are works derived from another source or work. Under copyright law derivatives cannot be sold without the permission of the copyright holder. One famous example of copyright infringement involving a derivative is artist Shepard Fairey's "Hope" poster of President Obama distributed before the 2008 election. The likeness of President Obama was found to have been taken from an Associated Press photograph of Obama when he was a Senator. This act was considered an infringement of copyright, and Fairey eventually pled guilty to criminal charges—not for copyright infringement, but for attempting to cover up the infringement through the fabrication of false information.

There are exceptions to copyright permissions. When a person purchases a copyrighted work, he or she has the ability to resell it without paying a fee or securing permission. However, if the person makes copies of the work (e.g. copies of book pages) the person may be infringing a copyright. Additionally, works of parody are an exception to the rule. Parody is a work that imitates the characteristic style of an author or a work for comic effect or ridicule. Whereas copyright holders often give permission for others to use or reproduce their works for a fee, they are not likely to give permission to those who desire to make fun of their work. Therefore, parody is an exception to the rule. However, even creators of parody pieces must exert caution because there are no clear guidelines for what officially constitutes parody.

## TRADEMARKS

Trademarks are somewhat of an extension of copyright law and give protection to the owner of a "mark" that identifies the good or service that is produced. The purpose of a trademark is to

provide a way to recognize a company or brand from other competitors. A trademark can consist of any combination of words, letters, numbers, drawings, symbols, 3D graphics, packaging, audio sounds, fragrances, or colors. The McDonald's golden arches, the Google name, and the Apple symbol for Apple Inc. are trademarks protected under law. A majority of all countries in the world allow trademarks to be registered and protected. However, trademarks do not have to be registered in order to be acquired. Trademarks can be renewed for as long as the company continues to use them. They are meant to prevent counterfeiters from selling goods or services under a similar name or mark, which would create confusion among consumers.

A trademark has two symbols. The <sup>TM</sup> symbol indicates that the mark is a trademark but is not registered. An <sup>®</sup> symbol indicates a registered trademark. (Another symbol <sup>SM</sup> is used to indicate an unregistered trademark of a service.) A registered trademark acts as a public declaration that a person claims ownership of a brand and can seek legal action against infringers. Trademarks can be registered in each state and in the federal system. An unregistered trademark does not offer as much protection. However, in the United States, an unregistered trademark is known as common law and can be protected in some cases. Trademarks only apply to the country in which they were awarded; a global organization must register their trademarks in the different countries in which they do business if they hope to retain rights to their brand. As demonstrated with the Starbucks case, it is not uncommon for individuals in different countries to register a brand name of a foreign company and then attempt to sell the rights to the business when it enters their country. Cybersquatting, in which an entity registers the Internet domain name of a company before they are able to do so, is also becoming more common. It is therefore important that multinational firms take immediate action to register trademarks.

As already mentioned, trademarks can continue to be registered so that the individual or organization retains constant rights to the mark. However, businesses must be careful to ensure that their trademarks do not become common terms. If a trademark becomes synonymous with a general product or a verb, then the company can lose rights to that trademark. When this occurs, the trademark is referred to as a generic trademark. Aspirin, margarine, videotape, kerosene, and cellophane used to have trademark protection but become such a part of the vernacular that they have become generic. Google is in danger of becoming a generic trademark because people so often use the term to describe "search" on the Internet. A good way to try and prevent a trademark from becoming generic includes putting the name "brand" behind the name as well as capitalizing the brand name.

## WORKS MADE FOR HIRE

Works made for hire are creative works developed under the scope of employment. An engineer is commissioned to make a new product for his or her company. A technical writer develops technical documents for an organization. A graphic artist at an advertising firm creates an original advertisement for a marketing campaign. All of these situations are works made for hire because they were done in the scope of employment. Because they are works made for hire, IP protection for the original work or invention goes to the employer. In other words, the employer owns the creation. The employee that created the work is compensated through wages, benefits, and/or other forms of remuneration.

Works made for hire are important to understand as some creators, such as artists, might be shocked to learn that they do not have ownership of the material they created. To determine whether the creator has developed a work under the scope of employment, three criteria can be used: 1) the amount of control the employer has over the work; 2) the amount of control the

employer has over the employee; and 3) the standard and conduct of the writer. For instance, if the creator of a work develops an original creation at the employer's location or by using the creator's equipment, then the creation is often viewed as a work made for hire. On the other hand, an original creation developed during the creator's own time without the use of employer resources and outside of the scope of employment would most likely belong to the creator. Yet it is important to carefully monitor the relationship between the employee and employer to determine whether a creation could qualify as a work made for hire. This was the major issue in the lawsuit between Mattel and MGA Entertainment over the Bratz dolls. Mattel claimed that the designer of the Bratz dolls developed the dolls when he was still under contract with Mattel. Mattel argued that it owned the rights for Bratz and that MGA was infringing on its copyright.

## ETHICAL ISSUES

The large number of laws that comprise IP protection does not deter some people from finding loopholes within the system and capitalizing on an established brand, patent, or copyright. Most unethical activities that involve IP take place within the areas of copyrights and patents, although as the Starbucks case demonstrates, trademark infringement is also a problem. The proliferation of information on the Internet as well as looser laws has made the infringement of copyrighted items difficult to control. Much information published on the Internet is copyrighted, although government materials and facts are not protected under copyright law. All Internet users must abide by copyright rules, which not everyone is aware of, making infringement easier. Whereas most infringements are small, others can be large and intentional. For instance, Pirate Bay was founded on the premise of peer-to-peer file sharing. However, much of the downloadable content was protected under copyright. The founders of the site later faced jail time for promoting downloads of copyrighted material.

It is no mystery that the growth of patent lawyers in the United States can be attributed to demand for those who can understand and decipher the complex rules of patent law. Through the last decade, the patent filing system has been criticized due to its tendency to be vague and unclear. This has allowed owners to file patents for inventions that should not have been submitted or for which they have no intention of marketing. A new term has been invented to account for these situations: patent troll. Patent trolls are companies that file patents for products or processes they do not actually manufacture or market. The purpose is to use their patents to force companies who later choose to make the product or use the patented process or machine to pay them royalties. Often patent trolls go after small companies who do not have the resources to take the patent troll to court. In the court only about 10 percent of patent trolls win their cases. One of the recommended ways to combat such questionable behavior is to have better controls in place so that the U.S. Patent and Trademark Office does not award intellectual property protections to those who are not involved in creating a new and innovative product, design, or process.

Due to the complexity of patent law, the U.S. government passed the America Invents Act (AIA), which took effect on March 16, 2013, with the intent to simplify the patent process and become more similar to the patent procedures of other countries. The new law will change the "first-to-invent" rule to "first-to-file" rule. Under the previous law, if two people filed for patents for the same invention, then the person who invented the product first received patent rights. However, under the new law the person that files the patent first will receive the rights. Exceptions to this rule would be if the inventor publicly made the invention known so that others should have been aware. While this is meant to simplify the patent process, critics believe this will prove to be more costly and unfair in the long-run.

The following section discusses some common issues in IP infringement. These issues are particularly significant as many people do not understand that engaging in these activities could qualify as IP infringement.

## MUSIC AND MOVIE DOWNLOADS

The music and movie industry has endured large losses from pirating illegal downloads. Record labels and production companies are on a long hunt to catch those who are using file-sharing websites such as Pirate Bay. Many people have been fined for entertainment they have downloaded. The music industry has taken a much larger hit from file sharing because of the simplicity of downloading a 5-minute song compared to a video or movie that has both animation and a sound track.

The music industry recorded its all-time highest sales in 1999, with \$14.6 billion. Since then they have faced a dramatic fall. A decade later their revenues from music sales totaled \$6.3 billion, less than 50 percent of their peak. Although the loss is due to many different factors, including new technology such as streaming, illegal downloading has been a major problem for the music industry.

The music industry encountered problems even during its record year of sales. In 1999, an 18-year-old student of the University of Southern California created a file-sharing website. Napster quickly became viral and saw huge increases in its subscribers each day. The website allowed users to upload digital files for music, photos, movies, games, and computer programs. Once the file was uploaded, other users could download it to their computer and enjoy it. Napster was sued in December 1999 by the music industry. In February 2001, the court ruled that Napster was required to implement a new technology within their site that would weed out copyrighted material, preventing it from being uploaded and traded. It also forced Napster to be a for-pay service website. Napster felt that the new technology was not possible to implement for a couple of reasons. The firm argued that the technology did not exist on the scale of knowing all copyrighted works. They also pointed out that even if the technology did exist, it would slow the site down, rendering it useless or completely crash it all together. They felt the only way to go was to make it a pay site. After that ruling, many other cases have been addressed. In 2012 the file hosting service Megaupload was shut down and its founder arrested on charges that the site encouraged massive illegal downloading and copyright infringements.

In 2012 an attempt was made to pass laws to discourage copyright infringement on the Internet. The proposed laws were called the Stop Online Piracy Act (SOPA) and the Protect Intellectual Property Act (PIPA). Some of the ways that they would deter IP infringement on the Internet would include blocking websites that violate IP laws from U.S.-based funding, payment processors, search engine appearances, and web browser visibility. Platforms or websites that contained unauthorized content would have to remove it. One way that the laws would enforce these provisions included altering the DNS system, which is an important part of the Internet. Under the laws, Internet sites found in violation could theoretically be shut down.

The proposed laws were supported by the entertainment industry but were largely opposed by Internet companies. On January 18, 2012, Wikipedia and many other sites went offline for the day to protest the laws. Google blacked out its letters on its search engine. The pressure eventually resulted in the proposed laws being abandoned. The struggle to control IP violations over the Internet continues.

## EDUCATION

Some copyright infringements are done in a profession that we might least expect—education. It has not been unheard of for teachers to have websites where they post what they are planning to teach and use other teachers' lesson plans that they pass off as their own, without giving credit to the original teacher. However, other activities are not so clear. For instance, is it acceptable to scan a piece of a document and place it on a class website if credit is acknowledged to the original source? How about hyperlinks to webpages? These different scenarios can be confusing, and many teachers will try to avoid any potential legal difficulties by contacting the original author for permission.

Another infringement that both teachers and students are guilty of is making copies for the classroom. For instance, when a professor has only one or a few copies of a particular material, they will often make more copies for everyone to have rather than buying additional copies. Choir directors do this frequently with the sheet music. Students might make copies of an entire textbook from the library to avoid paying for a book, or they might make copies for their friends in the classroom. Because this involves education, many fair use doctrines apply. For instance, students can make copies from a library book, although restrictions apply to the amount (not the entire book) and the intent (making many copies to provide to classmates is unacceptable). Professors or teachers can pass out spontaneous handouts of copyrighted material for one-time use if it was not planned far in advance. In terms of showing movies in-class, teachers are allowed to show movies for instructional purposes as long as it involves face-to-face interaction and is in a physical classroom.

What happens if you buy many copies legally and then choose to resell them? Normally, the right of first sale would apply. However, a controversy arose after a Thai student was sued for purchasing less expensive foreign editions of textbooks and reselling them to U.S. students through eBay. The foreign textbooks specifically stated that the books were only intended for certain regions. Publisher John Wiley & Sons initially won a \$600,000 judgment against the student, Supap Kirtsaeng. Kirtsaeng maintained that the right of first sale should apply to foreign markets as well, and the issue was taken to the Supreme Court. The Supreme Court ruled in the student's favor, saying that such restrictions could be damaging. They found that publishers did not have special rights under copyright law to impose such restrictions.

## APPLE VS. SAMSUNG

Sometimes IP violations create major conflicts between large companies. This is particularly true in the technology industry. A recent legal proceeding over patent infringement pitted the two largest cell phone manufacturers against each other over the design of their devices. Apple was awarded \$1 billion in damages (later reduced to just under \$600 million) over mobile device patents. It was noted by the judge that the violation was not "willful." In a legal sense, "willful" means that the violation of the defendant was deliberate or intentional. Because it is nearly impossible to determine a company's true intentions, it cannot be determined whether Samsung acted with unethical intentions. However, the judge ruled that Apple's patent was infringed. Apple may have set the standard with this win in court over the design of smartphones. The case showed Samsung and all other cell phone providers that they have to be careful when designing new phones. Because of this case, cell phone patent infringement has been given clearer guidelines and will be under more scrutiny.

## APPLE'S ARGUMENT

Apple argued that Samsung violated patent protection for many features of the iPhone. Some of the features included the rectangular shape; the black color of the phone; the tap to zoom, the flip to rotate, and slide to scroll features; rubberbanding; and so on. While some of these features seem basic, Apple claims to have been the first to offer these features and the first to have them patented. The legal team cited many of Samsung's models that copied and used these features. Apple made its major claim in the United States but also sought damages in other countries.

### SAMSUNG'S ARGUMENT

Samsung countersued Apple in other countries when the first allegations were made in the United States. Other countries have different and sometimes stricter policies over patents than the United States. Samsung was hoping that it could be awarded damages in other countries according to different patent laws. Samsung also countersued Apple in the United States over many of the same features and other related property. Samsung felt that many of the features were patented by its company and that Apple was not the first to invent those features. Samsung also has lawsuits against Apple over the use of the "3G" network. The network debate would force Apple to pay a certain amount to Samsung for each phone sold that uses the specific network.

### IMPLICATIONS

There have been many implications because of the ruling made in favor of Apple. A judge ordered that the damages that Samsung had to pay be cut nearly in half. Samsung and other cell phone carriers now have to be more innovative in their designs and distinguish their features from Apple's. The various cell phone providers will have to look carefully at all of the patents that their competitors have filed for. Interestingly, Google increased their number of patents in 2012 by 170 percent. While Apple increased their number of patents as well, Google seems to be reacting to the proceedings over the Apple and Samsung trial by filing for more patents. While Google is a partner of Samsung, they could also be preparing patents for their own phones as well. The consumer may be the one who is most affected by this proceeding. With Apple's win, cell phone companies will be forced to increase R&D to create new and unique features. This could lead to higher prices. It will also give Apple an advantage in design and could lead to fewer choices for consumers.

By protecting its intellectual property, Apple may have given itself an advantage over its competitors. On the other hand, this legal decision may also spur patent wars. To protect their intellectual property, companies will need to file for patents quickly, even before they have worked out all the details of the product. Technology companies have to carefully examine features as simple as shape or color because of the possibility of patent infringement.

### ANTI-INTELLECTUAL PROPERTY RIGHTS GROUPS

Critics point out that intellectual property laws could become too restrictive and hinder innovation. With stricter and broader patent protection, some companies may become discouraged when trying to improve upon technologies because of the fear that they will commit patent infringement. Google has been a major advocate of limiting the effects of patent laws. In 2011 Google took center stage with its complaint that patent owners are attempting to use intellectual property laws in unfair ways to restrict the company from developing new technologies. It has often advocated for open source technology, in which product designs and blueprints are available for other companies to build upon. Supporters of open source believe this allows for greater innovation and improved technology development.

More and more detractors are criticizing the use of copyrights, patents, and trademarks. Anti-copyright groups are becoming increasingly common. Companies such as Pirate Bay have clearly displayed an antagonism toward copyright laws. A major criticism from anti-copyright groups is that intellectual property laws tend to restrict free expression and the imparting of information. Rasmus Fleischer, one of the founders of Piracy Bureau—an organization against copyrights for digital media—believes that copyrighting content on the Internet makes no sense and that copyright laws are a form of control and censorship. Other criticisms include the fact that intellectual property laws restrict freedom of expression and the distribution of knowledge.

However, even Google uses a wide range of copyrighted content in its own search engine results. Google may be taking a step back on its stance after realizing the need to protect its own property. Intellectual property protections provide great benefits and give people incentives to create and protect their innovations. While it is certainly essential to protect intellectual property, the debate over whether intellectual property laws go too far continues to rage. The ease of infringing on intellectual property has also complicated this issue, leading to the proposal of laws that are criticized by detractors as being too restrictive. In addition, because intellectual property laws vary from country to country, multinational firms face major obstacles when trying to protect their brands and products in other countries. Finding the right balance to protect both freedom of expression and intellectual property is challenging.

## THE COUNTER PROJECT

In response to the complexity and challenges of intellectual property, governments have begun researching ways to clarify laws and create more uniform standards. Before this task can be completed, however, it is important to determine the extent of global piracy. The European Commission created the COUNTER project to gain a better understanding of pirated and counterfeit goods. The information they gather can then be used to help formulate public policy in this area.

One area of investigation for the COUNTER research project concerns user-generated content. User-generated content consisting of copyrighted material is a major issue on websites such as YouTube. The COUNTER project has found that most copyright holders tend to sue web platforms and websites that host copyrighted content rather than against users who download the content because suing individual users would not be feasible. This type of research has led the COUNTER project to develop recommendations for standardizing intellectual property laws and holding stakeholders accountable. For instance, COUNTER found that browse wrap agreements, the part of the website that informs the user of the terms of conditions, are often inadequate. By using the site the user must basically sign a contract by agreeing to the terms of conditions. However, penalties are not often enforced when users violate the agreement. This is because courts have determined that many of the links for these agreements are not conspicuous enough for users to notice or access. The COUNTER project therefore recommends creating a standardized and transparent method for websites in displaying these browse wrap agreements so that they meet all relevant conditions. These findings and recommendations could have significant implications for global public policy on intellectual property over the Internet.

## CONCLUSIONS

The controversy over intellectual property is far from over. Due to the proliferation of technology, both individuals and companies are exposed to more information than ever before. With this greater access to information and technology comes a greater ability to infringe upon copyrighted material. Unfortunately, many consumers and companies are unaware that simple activities, such

as making copies of copyrighted materials or copying software onto multiple computers, can be violations. Companies are trying to combat piracy of their products by filing for more intellectual property protections as well as filing lawsuits against those they believe could be infringing on their property. As a result, an increasing amount of cases are being brought to court, particularly among technology firms. However, even the legal system has trouble determining what can constitute as a violation, as evidenced by the *Kirtsaeng v. John Wiley & Sons, Inc.* case and the lengthy amount of time it took to decide the *Apple v. Samsung* dispute.

To try and standardize intellectual property protections, collaborations such as the COUNTER project are working to gain a better understanding of piracy and ways to combat it. However, although it is widely acknowledged that creators should have some protection for their creations, critics of intellectual property laws believe these laws often give too much power to organizations and feel that the current system of laws stifles creativity and innovation. Businesses must decide whether and how to protect their brands or products. It is necessary for businesses to be familiar with intellectual property laws so they can understand both how they can protect themselves against infringement and how to keep themselves from infringing on the intellectual property of others. The more that consumers and organizations understand intellectual property regulation, the more equipped they will be to navigate this complex area of law.

## QUESTIONS

1. Why are intellectual property protections necessary?
2. Why do consumers and companies often violate intellectual property laws?
3. What are some of the objections that critics of intellectual property laws maintain? Do you agree with some of the objections?

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