



Intellectual  
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# Intellectual Property Rights in the USA





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# Intellectual property rights in the USA

If you plan to do business in the USA, or if you are already trading there, it is essential to know how to use, guard and enforce the rights you have over the intellectual property (IP) that you or your business own.

This guide explains about IP rights in general, and gives guidance on how to apply these principles in the USA market. It describes the issues you may face with IP infringement in the USA, offers advice on how you can effectively tackle these, and provides links to sources of further help.

## What are intellectual property rights?

Intellectual property (IP) is a term referring to a brand, invention, design or other kind of creation, which a person or business has legal rights over. Almost all businesses own some form of IP, which could be a business asset.

Common types of IP include:

- Copyright - this protects written or published works such as books, songs, films, web content and artistic works.
- Patents - this protects commercial inventions, eg a new business product or process.
- Design right - this protects designs, such as drawings or computer models.
- Trade marks - this protects signs, symbols, logos, words or sounds that distinguish your products and services from those of your competitors.

IP can be either registered or unregistered.

With **unregistered** IP, you automatically have legal rights over your creation. Unregistered forms of IP include copyright, unregistered design rights, common law trade marks and database rights protection for confidential information and trade secrets.

With **registered** IP, you will have to apply to an authority, such as the Intellectual Property Office in the UK, to have your rights recognised. If you do not do this, others are free to exploit your creations. Registered forms of IP include patents, registered trade marks and registered design rights.

## International considerations

The USA has been a World Trade Organization (WTO) member since 1995. WTO member nations must include some IP protection in their national laws. This means that if you are doing business with the USA, you will find some similarity between local IP law and enforcement procedures, and those in force in the UK.

## Treaties and reciprocal agreements

The USA is a signatory to the following international IP agreements:

- the Paris Convention - under this, any person from a signatory state can apply for a patent or trade mark in any other signatory state, and will be given the same enforcement rights and status as a national of that country would be
- the Berne Convention - under this, each member state recognises the copyright of authors from other member states in the same way as the copyright of its own nationals
- the Madrid Protocol - this is a central system for obtaining a 'bundle' of national trade mark registrations in different jurisdictions, through a single application
- the Patent Co-operation Treaty - this works in much the same way as the Madrid Protocol, but for patent applications

The USA is not a signatory to the Hague Agreement, which allows the protection of designs in multiple countries through a single filing.

## Intellectual property rights - systems in the USA

### Copyright

In the United States, creative work is automatically protected by copyright as long as it is both:

- original - ie independently created and not copied from someone else's work.
- fixed in a tangible form - ie easy to see, reproduce or communicate over a long period of time.

Copyright only protects the tangible form of your creative work - it does not protect the idea itself, only the form it takes. For example, if your business has an advertisement, the actual content is protected by copyright, but it does not prevent others from using a similar idea to create their own advertisement.

Although registration of copyright is not a legal requirement in the USA, it is advisable. This is because it:

- establishes a public record of ownership and strengthens your position in the case of copyright infringement;
- is necessary in order to press charges for copyright infringement in Federal courts;
- is necessary to prevent infringing imports from entering the USA; and
- allows you to claim statutory damages and attorney's fees in the case of copyright infringement - rather than needing to prove actual damages

As the copyright owner, only you have the right to copy, change, distribute or publicly display the work, or authorise others to do so. However, if you employ other companies or freelancers for certain works, it could be that they own the copyright - eg an external graphics designer may own the copyright for their commissioned work. It is therefore recommended that you always use a contract to clarify who owns the IP.

The USA is a signatory to the Berne Convention on copyright. Under this, each member state recognises the copyright of authors from other member states in the same way as the copyright of its own nationals.

In the USA, work created on or after 1 January 1978 is protected for:

- the life of the author plus 70 years - if the owner is a person
- 95 years from publication or 120 years from the creation of the work, whichever is shorter - if the owner is a corporation or other entity

All other work created before 1978 is governed by the Copyright Act of 1909. This provides initial protection of 28 years, with the chance of subsequent renewal. If the copyright of a published material has expired, it is usually considered to be in the public domain, making it free for anyone to use.

## Patents

A patent is a governmental grant that allows someone to protect an invention. In the USA, the United States Patent and Trademark Office (USPTO) issues three kinds of patents:

- **Utility patent** - for technological advances and innovations. This lasts a minimum of 20 years from the date of application.
- **Design patent** - for new and original designs for items. This lasts for a 14-year term.
- **Plant patent** - for the invention or discovery of any distinct and new plant varieties that has been asexually reproduced by grafting or selective cuttings (without seed manipulation). This protection is different to plant variety protection which is administered by the United States Department of Agriculture. This lasts for a 20-year term from the date of application.

If you need to pitch an invention or design that has not yet been patented, you should use a non-disclosure agreement or obtain a provisional patent application. You should also keep any and all documents relating to the invention or design.

The September 2011 America Invents Act (AIA) amended US patent law to make it a “first inventor to file” system, which is in line with other patent systems, including the UK. The “first inventor to file” system means that whoever files a patent application first can be awarded a patent. The AIA first-inventor-to-file provisions became effective on March 16 2013.

US law also allows a one-year grace period for an inventor to register a patent from the date of public disclosure. You should note that this is different from European countries, where public disclosure could prevent you from being able to obtain a patent.

## Trade marks

Unlike copyright, trade marks are not automatic and are generally only protected if registered in the USA.

In most countries, trade mark rights are established through registration - this is known as ‘First to File’. However, in the USA, as in the UK, the ownership of a trade mark is established by whoever first uses it in commerce. This is known as the ‘First to Use’ system and requires you to actually use the mark in connection with goods or services in order to protect your trade mark. Therefore, if there is a dispute between you and another party over a trade mark, whoever used it first commercially will own the right, even if they did not register it.

However, in order to completely protect your trade mark in the USA, you should also register it through the USPTO. Registering your trade mark also provides several further benefits to you, including:

- publicly declaring your ownership of the trade mark
- helping you to register your trade mark in other countries
- helping you to bring any legal action to the Federal courts and preventing infringing material from being imported
- allowing you to use the registered trade mark symbol (®) with your trade mark

Because registration is not a requirement, there is no limit to the duration of a trade mark in the USA. As long as there is continued use of the trade mark, ownership of the trade mark right is maintained.

## Registering and enforcing your intellectual property rights in the USA

Some types of intellectual property (IP) rights in the USA are automatic, but it is recommended that you always register them to both protect yourself and to make the most of your IP rights.

'Priority rights' under the Paris Convention can help in the local registration of trade marks, designs and patents by allowing rights previously registered elsewhere to become effective in the USA, if filed within a time limit.

As a signatory of the Paris Convention, the USA must also provide protection against unfair competition in line with the rules of the Convention.

### Patents

To obtain patent protection, you must register your invention with the United States Patent and Trademark Office (USPTO), usually with the help of a patent attorney. You can either apply for a:

- **utility patent** - for innovations and technologies
- **design patent** - for new and original designs
- **plant patent** - for distinct and new plant varieties

Under US law, if your invention is publicly disclosed without a patent, you have a grace period of one year to register your patent.

The application process for patents is complex, and it is highly recommended that you seek advice from a patent attorney before going ahead. A patent attorney will help you make sure that your invention is not already registered by someone else, and will assist you in completing a patent application. You can find a list of registered US patent attorneys on the USPTO website.



The fee for patent applications can vary depending on your application, and the approval process can take a very long time and varies from each application. There is a 50 per cent discount on official fees for registering a patent for small companies, non-profit organisations and universities. There is also a 75 per cent discount on fees for a 'micro entity', though these have strict criteria you must meet in order to be eligible. For example an inventor must not:

- have an annual income more than three times the average household annual income
- have been named on more than four US patent applications
- assign or license their patent to a company or person that has more than three times the average household annual income

There is no legal protection for a patent until it has been approved.

Once your patent is approved, you will need to pay a regular maintenance fee in each country that your patent has been granted.

## Trade marks

In the USA, it is the first party who uses a trade mark commercially that owns the rights for that trade mark. Trade mark registration is therefore not a legal requirement, but it does hold several benefits.

To register your trade mark in the USA, you can either register with the USPTO within the USA or use the Madrid Protocol to gain unitary rights under national or Community Trade Mark registration systems.

Registering a trade mark in the USA can be a complicated process, so it is recommended that you seek expert legal advice before proceeding.

If you register your trade mark with the USPTO it can also be recorded with the United States Customs and Border Protection (CBP), a bureau of the Department of Homeland Security. This can be done electronically and will help the fight against fake and pirated goods being imported to the USA.

## Copyright

For copyright, both published and unpublished, no registration is required but registering copyrights with the copyright authorities is advisable.

To register a copyright in the USA, you will need to complete the relevant application form, either online or by sending it to the United States Copyright Office, along with the appropriate fee.

You can also protect your work with a copyright notice - eg by displaying the copyright symbol (©), year of first publication and your name as the copyright owner. This will further deter any copyright infringement of your work and could also help with any legal issues surrounding your copyright.

## Enforcing your IP rights in the USA

It is your responsibility to protect your IP, though governmental authorities can help you take steps to prevent and stop any infringements. You should actively monitor the marketplace for any unauthorised use of your IP, and if you think that a person or business has unlawfully used your IP, you should take expert legal advice before contacting an offender or pursuing any sort of litigation.

IP law in the USA is complex and should only be used when other enforcement methods have failed to prevent an infringement. If litigation is necessary, then you should use a lawyer who specialises in IP law. Litigation takes place before either civil courts or administrative tribunals.

It is also possible to take action against foreign offenders either through the Federal court or by initiating investigations before the United States International Trade Commission (USITC).

If your copyright or trade mark is registered it can also be recorded with the CBP. The CBP can use enforcement procedures to prevent the entry of goods that infringe your IP rights into the USA. This is a simple and cost effective measure to protect and enforce your IP rights.

If you find unauthorised use of copyright material online, you can use the **notice and takedown** procedure to have this material removed. This only works for web sites owned in the USA and involves contacting the internet service provider with a demand to remove or disable access to the unauthorised content.

With the help of a lawyer, you can also use a **cease and desist letter**. This warns an offender of your rights and asks them to stop any activity that may cause infringement.

There are also several alternative dispute resolution (ADR) methods that can be used. These can involve mediation or arbitration and are often cheaper and faster than litigation.

You may also find business associations and other industry-specific associations who can represent you in any dispute you may have involving unauthorised use of your IP.

## Protecting your IP

There are various things you can do to make it harder for infringers to copy your product. For example, you could:

- Consider the design of your product and how easy it would be for somebody to reproduce it without seeing your original designs.
- Have effective IP-related clauses in employment contracts for when you hire staff. You should also make sure you educate your employees on IP rights and protection.
- Have sound physical protection and destruction methods for documents, drawings, tooling, samples, machinery etc.
- Make sure there are no 'leakages' of packaging that might be used by counterfeiters to pass off fake product.
- Check production over-runs to make sure that the genuine product is not being sold under a different name.

## Potential problems faced in the USA and how to deal with them

Intellectual property (IP) laws in the USA are comprehensive, and the authorities and enforcement agencies are capable of dealing with any infringement. Thus the protection offered to foreign and domestic rights owners is of a very high standard.

As a member of the World Trade Organization, the USA is committed to certain minimum IP protection standards. This means that the IP environment in which UK businesses operate in the USA will be familiar for those used to practices in the UK.

To be a success in the USA and internationally, your business must protect its assets with some form of IP rights protection.

### Avoiding problems

The most important way to avoid problems when defending IP rights in the USA is to be prepared. To make sure that you can anticipate any potential issues, you should:

- take advice from US IP rights experts
- consult publications and websites on US IP rights and protection in general
- carry out risk assessment and due diligence checks on any organisations and individuals you deal with
- take professional advice from other experts - eg lawyers, local diplomatic posts, business and industry-specific associations and UK trade organisations
- talk to other businesses already doing similar trading in the USA
- consult agents, distributors and suppliers on how best to safeguard your rights
- check with trade mark or patent attorneys to see whether there have been previous registrations of your own IP in the USA
- stick to familiar business methods - don't be tempted to do things differently because you're trading in a different country

### Who should take responsibility for your IP protection?

You should make sure that everyone in your business takes some responsibility for IP protection. Many businesses depend on the integrity of their IP and it can often be one of their most valuable assets. So it should be given proper attention by management and employees, as well as other businesses that you have relationships with.

It may be sensible to nominate a manager to have particular responsibility for understanding and protecting your IP rights. In businesses with legal departments, a legally-trained manager would be a good choice.

## Top tips for IP protection in the USA

The most important things you can do to protect your IP rights in the USA are:

- stick to your normal business instincts;
- do as much as you can to prevent infringements in the first place - prevention is better than cure;
- assess the risks of the market and make preparations;
- take self-help measures to protect your IP;
- make sure everyone in your business values its IP, including you;
- register your IP rights;
- create good relationships with organisations that can help you;
- consider mediation and arbitration before using litigation

## Where to get intellectual property help in the USA

Whether you're resident in and doing business in the USA, or trading internationally with the country, there are a number of professional organisations that can offer you advice and support:

- The United States Patent and Trademark Office (USPTO) provides official patents and trade marks in the USA. ([www.uspto.gov](http://www.uspto.gov))
- The US Copyright Office promotes business through copyright protection. ([www.copyright.gov](http://www.copyright.gov))
- British American Business offers members the chance to develop their business through networking and marketing programmes, business intelligence and regulatory advice and influence. ([www.babinc.org](http://www.babinc.org))
- British American Chambers of Commerce can offer advice for visiting and resident British business people and a chance to meet others through networking events. ([www.britishchambers.org.uk/business/trading-internationally/international-contacts.html](http://www.britishchambers.org.uk/business/trading-internationally/international-contacts.html))
- The British Embassy in Washington provides help for British nationals wanting to do business in the USA. ([www.gov.uk/government/world/organisations/british-embassy-washington](http://www.gov.uk/government/world/organisations/british-embassy-washington))
- Chambers and Partners USA provides guidance about the US legal profession. ([www.chambersandpartners.com/USA](http://www.chambersandpartners.com/USA))
- Stop Fakes offers information on IP rights and protection in the USA. ([www.stopfakes.gov](http://www.stopfakes.gov))
- TransAtlantic IPR Portal offers access to information and resources on IP for business. ([ec.europa.eu/enterprise/initiatives/ipr/](http://ec.europa.eu/enterprise/initiatives/ipr/))

## **Related web sites you might find useful**

**Application for Intellectual Property Rights e-Recordation on the United States Customs and Border Protection website**

<https://apps.cbp.gov/e-recordations>

**IP infringement information on the US International Trade Commission website**

[http://www.usitc.gov/intellectual\\_property](http://www.usitc.gov/intellectual_property)

**Mediation and arbitration on the World Intellectual Property Organisation website**

<http://www.wipo.int/amc/en/index.html>





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