topic: COPYRIGHT LAW

It's 11 p.m. Do you know who owns your website and software?

advice:

Paying someone to create your website, develop software or produce other works of authorship does not mean you own the copyright in the work. Lack of ownership may prove costly, as a copyright owner has the exclusive right to reproduce, distribute and even modify the original work.

Employers own the copyright in works created by employees within the scope of employment. However, if the author is someone other than your employee, you must have a written agreement giving you ownership. Without it, you might have, at best, a limited implied license to use the material in its original form. Want to change your website or update your software? You better hope that the original author will agree to do the work at a reasonable price. The non-employee author also may have the right to copy, distribute and even sell the very thing you paid to have produced.

Written agreements should include an outright assignment of copyright — you cannot rely on a "work made for hire" clause in the agreement. In most instances, this will not suffice to give you ownership.

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topic: PATENT LAW

Who owns your employees' inventions?

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Rights in an invention belong to, at least initially, the inventor. Absent an employment agreement requiring assignment of inventions, only employees "hired to invent" or high level employees (e.g., officers) are required to assign inventions to their employer. Relying on the "hired to invent" doctrine rather than having a written agreement requiring employees to assign their inventions to the company is risky. The risk is increased when you have employees in multiple states or otherwise have the possibility of having the issue decided by different courts.

Consider a "general staff engineer" who is not hired to solve a particular problem or design a certain device. Later, the engineer is assigned to a specific project, with instructions to develop a particular new product. Though many courts likely would require assignment of the invention to the employer, at least one court ruled in favor of the employee. Even though the invention was made on company time, using the company's equipment and materials, the employer was only entitled to a "shop right"—a limited, non-exclusive, non-transferable license to use the employee's invention. The employee walked away owning the patent, along with the right to license the invention to competitors.

topic: PATENT LAW

Can I copy a competitor's product if it is not marked as patented?

advice:

Not necessarily. There is no legal requirement to mark products as *patent pending* or even patented. Now, there are definite benefits to patent owners who properly mark patented products, including limitations on infringement damages when patented products are not marked. On the other hand, it often takes several years for a patent to issue. And even when a product is marked with a patent number, that patent may be expired.

Since ignorance of a competitor's patent is not a defense to a patent infringement claim, it is wise to investigate the patent status of a competitor's product before introducing something similar. Commissioning a patent search will help in avoiding infringement claims down the road. Also, since most patent applications are published 18 months after filing, you may be able to take steps to avoid infringement long before a competitor's patent is granted. Even a thorough patent search, however, will not identify unpublished, recently filed patent applications. Therefore, you should consider ongoing patent monitoring in some instances.

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