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How would I know if I need a patent, trademark or something else?

Most of the time it is relatively easy to sort out whether your idea is protectable by patent, trademark or copyright law. Sometimes more than one of these will apply; other times none of them will apply at all, or at least none will work very well in providing the protection you want and need. Fortunately, you do not need to know which of these applies in order to talk to an attorney. The attorney will help you sort it out when you meet. And even if you already know you want a patent, for example, the attorney might be able to identify other ways to protect aspects of your idea.

Generally speaking, if your idea relates to something useful that can be manufactured, including an improvement to an existing product, then you should consider patent protection. If your idea relates to a process or method for making or using something useful, patents still apply. If your idea is a name for a product or a service, then you are going to want to know more about trademarks. Trademarks also cover logos and slogans for products and services. On the other hand, if what you want is to protect the way you have done something – that is, the expression or style of it and not the underlying idea – then you need to review the material in this pamphlet on copyrights. You can claim copyrights on the original expression in books, poetry, plays, lyrics, music, audiovisual works, photographs, sculptural works, artistic works, architectural plans and pantomimes.

If your idea is for a new, ornamental design for a consumer product – such as a coffee cup shaped like a flower – you may be able to register a claim to copyright this work as a sculpture. You might also

apply for a special type of patent called a design patent, which protects the ornamental features of an article of manufacture. Which one you choose, or whether you choose both and why, should be discussed with your attorney. In time, your coffee cup design might come to represent a particular source of coffee cups, just as the distinctive shape of DOVE® soap has come to signify that particular brand. Then the cup itself can be claimed as a trademark and you can register your rights to it as such.

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Prior to an attorney consultation

Until you see a lawyer, keep your idea in confidence. If you must tell someone, make sure he or she knows it is a secret and it is not to be disclosed to others without your permission. Make a record of to whom you tell your idea and when. If possible, have those you discuss your idea with acknowledge in writing that, on that day, you disclosed the idea to them and that they understood that it was disclosed in confidence.

Another thing that is important to do before seeing a lawyer is to think about all aspects of the idea. If your idea is for an invention, think about how it would be made, what materials should be used, other ways of making it, what optional features you could include and how you would market it. Write all of these down in a notebook and then disclose them to a few friends in confidence. Have your friends witness and date each page of the notebook. The more complete your idea is, the easier it will be for your attorney to advise you and the stronger your claim to rights for that idea will be.

There are organizations that claim to help inventors. Some may be helpful while others are not. Before you disclose your idea to one of them or pay them any money, find out as much as you can about the organization through the Better Business Bureau, the state and federal consumer advocate's office, the Federal Trade Commission and other sources. Ask for references and inquire as to how long they have been in business under the same name. Ask for information about their success rate. Be skeptical.

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What are patents?

Patents are documents issued by the federal government. These documents grant the owner the right to exclude others from making, selling and using the invention described and claimed in the specification attached to the patent. You do not need a patent to make, use or sell something, only to stop others from doing so.

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What do patents protect?

Patent rights are granted for new, useful and non-obvious machines, articles of manufacture, compositions of matter and processes for making and using any of these. You can obtain patents on improvements to existing devices as well. Sometimes combinations of well-known things can be patented, as long as the combination is new, useful and non-obvious.

Patents cannot be granted for certain types of ideas. Two examples are business plans and printed matter. However, if you believe that your idea is commercially valuable, please have an attorney knowledgeable in intellectual property law review it with you.

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How do I get a patent?

To be awarded a patent, you need to file an application with the U.S. Patent and Trademark Office. The application must include a description of the invention, including the best mode for practicing the invention and at least one claim. It must contain a drawing of the invention if a drawing would help in the understanding of the invention. The application must also contain an oath or declaration that the applicant believes himself to be the original inventor of the subject matter claimed. There is a fee for filing the application.

Although it is possible for an inventor to prepare and file his or her own application, it is not a good idea. Patent law is a legal specialty, and lawyers themselves must pass a special bar examination to practice patent law. However, an inventor can and should work closely with a patent attorney to make sure that the patent application is a full and accurate statement of the invention, and by doing so, he or she will not only ensure that the resulting patent meets their needs but that the cost of obtaining it will be reasonable.

After that patent application is filed, it is examined by a patent examiner at the Patent and Trademark

Office. The examiner may have questions about the application and may reject it. The applicant acting through his attorney has the right to amend the application and request reconsideration of it. There are other procedures in the practice of patent law that can be used to obtain the allowance of the patent.

Much of the examination centers on the claims. The claims are numbered paragraphs at the end of the specification. Each is a single sentence describing the invention that is claimed. The invention may be claimed in a number of ways, and it is best to claim it in several ways. The focus of the examiner is to make certain the claims describe the inventor's invention and no one else's and that they do so in clear and concise language. The patent applicant and the attorney share these same goals; however, they also want the claims to be a broad statement of the invention. The examination of the patent can take longer if the applicant and the examiner are unable to agree on language that will satisfy all of their goals. However, the scope of the claims has a great bearing on the value of the patent, and the time spent on their precise wording is often well worth the cost.

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What are trademarks?

The word "trademark" can be the name given to a manufacturer for its product, such as BETTY CROCKER® brand cake mixes, KITCHENAID® brand mixers or FORD® brand trucks. Many people are surprised to learn, however, that things other than names can serve as trademarks. In fact, a trademark can be virtually any perceivable indicator of a source of goods, including words, symbols, devices, sounds and colors.

For example, in addition to the name COCA-COLA®, the shape of a COKE® bottle is also a trademark. The Mercedes star is a device mark. The color pink is a trademark for Owens-Corning's brand of fiberglass insulation. NBC has its three-tone sound mark.

When the word, name, symbol or device is used to identify a service rather than goods, it is usually referred to as a "service mark." For example, MCDONALD'S® is a well-known service mark for restaurant services. Other types of trademarks include "certification marks" for goods or services that have met certain requirements of the mark owner, such as the UL symbol, and "collective marks" for organizations, such as unions or fraternal organizations.

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What do trademarks protect?

The owner of a trademark has the right to prevent others from using the same or a similar trademark in a manner that is likely to confuse the consuming public or to suggest an affiliation or an endorsement by the owner of the senior mark of the goods and services sold in connection with the junior mark. If it becomes necessary to enforce a trademark in court, the trademark owner may seek an injunction and money damages. Enhanced damages, court costs and attorney's fees are sometimes available.

If the trademark is "famous," it is entitled to even greater protection. Not only can the owner of the famous mark prevent the use of confusingly similar marks, he or she can prevent others from using marks that do not cause confusion if they will dilute the good will of the famous mark. Dilution refers to the capacity to which the mark's ability to identify and distinguish the goods or services has been lessened because of the use of the same mark by others for unrelated goods.

The law also provides special remedies when an infringer counterfeits a federally registered trademark. In this case, the trademark owner is normally entitled to receive attorney's fees plus a monetary award in the amount of three times the actual damages caused by the infringement. In the alternative, the trademark owner can elect to receive statutory damages in an amount fixed by the court. This allows the trademark owner to receive an effective remedy when actual damages would be difficult to prove.

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How do I get rights to a trademark?

In many cases, rights to a trademark can be established by simply using the trademark in the ordinary course of business. To acquire trademark rights, however, the trademark must have been chosen and adopted in good faith. In other words, the trademark user must believe that the mark does not pose a conflict with other marks currently used in the marketplace.

In addition, the rights acquired by a trademark user are subject to any superior rights held by another party. For example, another party may have previously registered the mark or used the mark in the same geographic area for similar goods or services. In this case, the latter party may not be able to acquire rights in the mark, even if the latter party had no knowledge of the superior rights of the earlier

party. To provide greater assurance that a mark is free of conflicts and available for use, many companies will obtain a trademark search from an attorney who works in this field.

Trademarks can be registered at the U.S. Patent and Trademark Office or in the states or both. While trademark registration is not mandatory, federal trademark registration gives the trademark owner significant advantages, such as nationwide priority rights to the mark.

Applications for federal registration can be filed based on a bona fide intent to use the mark in commerce or based on actual use. Actual use of the mark must begin, however, before the trademark registration can be granted.

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What can you copyright?

Under the Copyright Act, copyright protection is available for an "original work of authorship fixed in a tangible medium of expression." To better understand how "works" become the subject of a claim of copyrights, this statement should be examined step-by-step.

First, the work must be "original." This means that the person claiming copyright protection must have created the work through the application of some intellectual or artistic effort independently. In other words, they cannot be copied from an existing source or merely exist of an arrangement of information that is in the public domain, e.g., a calendar or height and weight charts.

Second, the work must be "fixed in a tangible medium." This means that the work must be embodied in a form that is sufficiently permanent or stable to permit it to be perceived, reproduced or otherwise communicated for a period of time by others. For instance, a live piano performance can be fixed when it is recorded on a tape cassette; a play can be fixed when it is taped by a video camera; a story can be fixed when it is written on paper; a painting can be fixed when the paint is applied to canvas; and a musical composition can be fixed when the musical notes and instrumentation are written on paper.

To better understand what works are the subject matter of copyrights, the Copyright Act specifically lists eight types of works:

- literary works;
- musical works;
- dramatic works;
- pantomimes and choreographic works;
- pictorial, graphic and sculptural works;
- motion pictures and other audiovisual works;
- sound recordings; and
- architectural works.

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What do copyrights protect?

The owner of a copyright has certain rights that are provided by the Copyright Act. These rights are: to reproduce the copyrighted work in copies or phonorecords;

- to prepare derivative works based upon the copyrighted work;
- to distribute copies or phonorecords of the copyrighted work to the public, by sale or other transfer of ownership, or by rental, lease or lending;
- in the case of literary, musical, dramatic and choreographic works, pantomimes and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
- in the case of literary, musical, dramatic and choreographic works, pantomimes and pictorial, graphic or sculptural works, including the individual images of a motion picture or other audiovisual work to display the copyrighted work publicly; and
- in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

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How do I get copyrights?

A common misconception about copyrights is that you must register your work with the federal government to own the copyright to a work that you have created. This is not correct. Copyright protection is afforded to an author the moment that the work is fixed in a tangible form.

Although copyright registration is not required to receive copyright protection, registration does afford the copyright owner the following advantages.

- Registration establishes a public record of the copyright claim.
- Before an infringement suit may be filed in court, registration is necessary for works created in the United States and for foreign works not originating in a Berne Union country.
- If registration is made before or within five years of publication, registration will presumptively establish in court the validity of the copyright and the facts stated in the certificate, such as author, date of creation and title.
- If registration is made within three months after publication of the work or prior to an infringement of an unpublished work, statutory damages and attorney's fees will be available to the copyright owner in a copyright infringement lawsuit. Otherwise, only an award of actual damages and profits is available to the prevailing copyright owner.
- Copyright registration provides a mechanism that permits the copyright owner to record the registration with the U.S. Customs Service for protection against infringing imports. Copyright registration is a relatively simple process. To register a work, an application is completed and filed along with a filing fee and one copy of the work (if unpublished) or two copies of the work (if published) with the U.S. Copyright Office.

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What are trade secrets?

Trade secrets are a form of intellectual property protected by law in South Carolina. A trade secret is information including a formula, pattern, compilation, program, device, method, technique or process that: (1) has independent economic value from not being generally known and not readily ascertainable by proper means and (2) is the subject of reasonable efforts to maintain its secrecy. A trade secret can be any chemical formula, mechanical process, compilation of information (like a customer list) or way of doing business. The information must have economic value in an objective sense. That is, any reasonable person engaged in a similar business would find the information valuable.

It is important to remember that the information must not be something commonly known or easily compiled by persons in the same business. If anyone can recreate a customer list just by looking in a published industry directory, then it is not eligible for trade secret protection. A trade secret is lost if it is patented. The essence of a patent is that the inventor receives exclusive rights to an invention for a limited time in return for making the invention public. The trade secret must remain secret, unknown and undisclosed, except under protected circumstances. If a competitor independently develops the same trade secret, the competitor can use it. If the "secret" becomes widely known, no trade secret rights remain.

A trade secret will sometimes be lost if copyrights in it are registered. In computer programs partial blacking out of lines of code can be used to prevent disclosure of trade secrets where copyright registration is being sought. Also, for long software programs, only the first and last 25 pages of source code need to be submitted to the Copyright Office. Otherwise, the entire copyrighted work will be published and made available to others.

The final element of a trade secret is that those claiming trade secrets must take reasonable precautions to keep the information secret.

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Can you protect trade secrets?

Yes! South Carolina and most other states protect the owner of trade secrets from misappropriation. Misappropriation means that a competitor uses some improper means to obtain information from the trade secret holder. The states provide civil remedies to the owner and may even provide for criminal prosecution. To take advantage of this protection, you must maintain the trade secret as a secret. Keep the information in a secure area. Indicate on the information that it is confidential. Have those that use it sign confidentiality agreements and return the copies they receive. Your attorney can help you develop the appropriate strategy, measures and documents you need to protect your trade secrets and to enforce your trade secret rights when they have been misappropriated by others.

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What if someone steals your trade secret?

If you are hiring an employee or contractor and that person will use or be exposed to trade secrets, you should require the individual to acknowledge the trade secret status of the information, that you own it and that the individual will not disclose it to third parties without permission. You should have policies in place on how the information will be handled to protect its secrecy. These steps will make it easier to enforce your rights in your trade secrets.

If you believe someone has improperly acquired your trade secret, see an attorney immediately. You should also report the conduct to local law enforcement, the solicitor's office or other law enforcement agencies. A delay in consulting an attorney and taking legal action may result in the information being spread to innocent third parties. If this happens, it may be too late to protect your trade secret. The law provides for immediate protection, known as an injunction, to prevent further disclosure of the information while the courts decide if the information deserves protection as a trade secret. To get an injunction, you must help your attorney organize and present proof to the court quickly that shows the valuable nature of the trade secret, that the information is not generally known or easily available, that you had protected the information and that the other person had some access to your information.

Your remedies for theft of a trade secret will take two forms: civil and criminal. You may hire an attorney to pursue a civil remedy. Civil relief includes injunctions to prevent use and further disclosure and awards of money damages. Criminal prosecution is meant to deter and punish trade secret theft and vindicate the public interest in citizens being able to enjoy the economic advantages of their labors.

Advance planning with an attorney; good documentation of the existence of the trade secrets; their value and the steps taken to protect the secrets; and quick action when you learn someone may have taken your trade secrets are all vital to protecting trade secrets.

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What is unfair competition?

Unfair competition is a commercial tort, or a civil wrong, that will support a lawsuit in state or federal court. The law of unfair competition has evolved over the years to put limits on competitive activity. There is no single definition for unfair competition. Rather, the term covers a varied range of activities that the courts or legislatures have decided cross the line between what is acceptable, vigorous competition and what is a "dirty trick."

For example, the infringement of trademarks and service marks are unfair competition. Also fitting within the umbrella of unfair competition is the use of confusingly similar trade or business names; the use of confusingly similar titles of literary works or other literary property; the simulation of a container, product, trade dress or packaging; false advertising; theft of trade secrets; and "bait and switch" selling techniques. There are many rooms in the house of unfair competition law. McCarthy on Trademarks 1.05 (1996)

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What can I do about unfair competition?

If you believe you have been harmed by a method of unfair competition, you should seek legal advice. You may need to take some act to preserve your rights, and you may only have a limited amount of time to do so. Though the filing of a lawsuit may be necessary to protect your rights against some acts of unfair competition, there are many appropriate responses to unfair competition outside of the courtroom that you can explore once you have been given the information to make an informed decision. As in other instances in which life intersects with the law, ignorance is rarely, if ever, bliss.

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What are unfair trade practices?

Actions that may not be considered unfair competition may nevertheless constitute an "unfair trade practice." Because unscrupulous people can create so many different schemes, the definition of what constitutes an unfair trade practice is very broad. Generally speaking, a trade practice is "unfair" if it is contrary to equity and good conscience and affects the public interest. A pyramid scheme, for example, is a common type of unfair trade practice. The resale of a repossessed vehicle as a new car is also considered an unfair trade practice.

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What should I do if I think something is an unfair trade practice?

Unfair trade practices are prohibited by South Carolina state law and laws of the federal government. South Carolina laws against unfair trade practices can be enforced by the state attorney general or by a

private lawsuit. To bring a private lawsuit, however, the aggrieved party must have suffered an actual loss of money or property. As a remedy, the court will award a judgment equal to the loss of money or property. In addition, if the unfair trade practice was committed knowingly, the aggrieved party is entitled to recover its attorneys' fees and three times its actual damages.

Federal laws against unfair trade practices can be enforced only by the federal government. An appropriate agency to receive complaints about unfair trade practices in violation of federal law is the Federal Trade Commission.

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Internet resources

The Internet is a vast resource for information about intellectual property and trade practice law, as it is about nearly everything else. Your best bet on the Web is to search using the search engine loaded on your computer, but here are a few addresses to get you started:

<http://assembler.law.cornell.edu/uscode>

www.uspto.gov

www.copyright.gov

www.wipo.org

<http://www.scsos.com>

<http://www.loc.gov/law/guide/us-sc.html>

<http://oami.eu.int>

<http://statetm.tripod.com/databases.htm>

<http://www.eere.energy.gov/inventions>

<http://gb.espacenet.com>

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South Carolina Bar Lawyer Referral Service

The South Carolina Bar Lawyer Referral Service maintains a list of attorneys who specialize in the area of intellectual property law and are willing to take referrals from potential clients in their geographical area. Call the Lawyer Referral Service at (803) 799-7100 or (800) 868-2284.

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South Carolina Small Business Development Center

This center is staffed by business consultants for small businesses and provides a variety of services including financial analysis, marketing, business planning, loan package development and computerization. The center is available to answer questions concerning business practices that may arise in your daily operations. This is a state- and federally-funded agency with no charge for its services. To contact the South Carolina Small Business Development Center, write to College of Business Administration, University of South Carolina, Columbia, SC 29208 or call (803) 777-5118.

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Consumer Advocate

This is a statewide organization for complaints. The advocate receives, and in some instances, mediates consumer complaints on any consumer issue involving the production or promotion of consumer goods or services. This office has specific regulatory authority with regard to certain statutes in the S.C. Code including the health spa industry, mortgage loan broker industry, pawn broker industry, the rent-to-own business, continuing care retirement communities, employee/staff leasing, below cost gasoline sales and the Uniform Consumer Credit Code. With regard to general consumer complaints (i.e., landlord/tenant), they do not have the ability to require a business to resolve a complaint a certain way but have an 80 percent satisfactory rate. In the event that they are unable to resolve a dispute, they will sometimes transfer the complaint to a state or federal agency that has direct authority.

To register a complaint concerning an action you believe may be unfair trade, call their toll-free watts line at (800) 922-1594 or (803) 734-9452 where you will speak with a complaint analyst. To file a written complaint you may write to 2801 Devine St., Second Floor, P.O. Box 5757, Columbia, SC 29250-5757. In either case, you will be sent a complaint form. This form can be located online at <http://www.state.sc.us/consumer>, or you may send an e-mail to SCDCA@infoav.net.

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Secretary of State

The Secretary of State's office registers state trademarks. Write to SC Secretary of State, P.O. Box 11350, Columbia, SC 29211 or call (803) 734-0367.

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Patent and Trademark Office

The function of the U.S. Patent and Trademark Office is to register trademarks and issue patents. Write to the Commissioner for Patents, P.O. Box 1450, Arlington, VA 22313-1450, or to the Assistant Commissioner For Trademarks, 2900 Crystal Dr., Arlington, VA 22202-3513.

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Register of Copyrights

The function of the Copyright Office is to determine if material deposited constitutes copyrightable subject matter, in which case it issues a certificate of copyright registration to the applicant. Registration establishes a public record of the copyright, which is necessary before you can file a copyright action for infringement. Write to Library of Congress, Copyright Office, 101 Independence Ave., SE, Washington, DC 20559.

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