

Intellectual Property Protection in the Transportation Industry



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either has not applied for federal trademark protection or is waiting for a pending federal trademark application to register. While common law rights may build goodwill in a business's brand, and puts others on notice that a business is claiming trademark rights for particular goods and/or services, it does not afford the same protection as state or federal trademarks.

I. Introduction

The transportation and logistics industry is highly competitive, and represents approximately 10% of the U.S. GDP.¹ As such, protecting intellectual property assets of businesses involved in this industry is arguably more important than ever. This article provides an overview of various forms of intellectual property protection that businesses may wish to consider when operating in the United States and Canada.

II. Trademarks

A trademark is a word, short phrase, symbol, design, or combination of words and designs that serve to identify and distinguish the source of goods or services from other entities.² Trademarks protect brand names and logos used in connection with goods and services.³ In the United States, trademarks may be protected via three different forms: common law rights, state trademark rights, and federal trademark rights. In Canada, trademarks may be protected via two different forms: common law rights and federal trademark rights. Common law rights in the U.S. and Canada may be claimed by trademark owners who continuously use a trademark in connection with goods or services in commerce. Common law trademarks are typically designated with a TM symbol and should be used when a trademark owner

A U.S. state trademark registration provides the owner with rights to use a trademark for the goods and/or services as registered in the state, such as the city in which the owner uses the trademark. Canada has no such equivalent to state (*i.e.*, provincial) trademark rights.

A U.S. federal trademark affords trademark owners with the most protection in that it provides nationwide rights and is properly designated with a ® registration symbol. Federal trademark registrations provide a legal presumption as to the trademark's validity and ownership, as well as the trademark owner's exclusive right to use the trademark around the country on or in connection with the goods and/or services registered with the trademark.⁴ With proper maintenance filings, a U.S. federal trademark registration may protect a trademark owner's goods and/or services indefinitely.

A Canadian federal trademark registration affords trademark owners with exclusive rights to use the trademark in commerce in Canada, and is properly designated with either a ® registration symbol or its French equivalent MC for "marque de commerce."⁵ Like the U.S., Canadian trademark registrations may also protect a trademark owner's goods and/or services indefinitely with proper maintenance filings.

In the transportation industry, businesses typically offer multiple types of goods and services. Trademark protection

may be valuable for protecting a business's main brand, as well as particular goods and services within a sub-brand. For example, a business's main brand may be known for supply chain management logistics services, while sub-brands may be developed for project management and parcel carrying services. It can be important for businesses to protect their valuable brands, which are used in association with their goods and services, so as to ensure that consumers are able to identify and distinguish one business's goods and services from those of their competitors. Of significant importance, trademark owners should note that trademark registrations in one country do not carry the protections afforded that registration over into another country where a business does not own a trademark registration. For example, a U.S. transportation company that has cross-border operations in Canada should ideally consider securing trademark protection in both jurisdictions.

III. Copyrights

Copyright protection is granted by law for original works of authorship fixed in a tangible medium of expression.⁶ Copyright protects both published and unpublished works. Like trademarks, common law copyright protection may be claimed in the U.S. and Canada by adding a © symbol after a claimed work of authorship. Once registered with the U.S. Copyright Office or the Canadian Intellectual Property Office, the

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same © symbol is affixed to the work of authorship. Copyright protects original literary, dramatic, musical, and artistic works as soon as the work is created and fixed in a tangible form.⁷ U.S. copyright term is the life of the author, plus seventy years.⁸ A Canadian copyright term is for the life of the author, plus an additional fifty years.⁹

A U.S. copyright registration provides the owner with multiple benefits. For one, the copyright is publicly recorded with the U.S. Copyright Office, and the owner is provided with a certificate of registration. In addition, only registered copyrights are able to be used for an owner to claim statutory damages and attorneys' fees in the event of litigation for copyright infringement. In addition, if registration of the copyright occurs within five years of publication of the work of authorship it is considered *prima facie* evidence of a copyright's validity in court.¹⁰ A Canadian copyright registration also provides a certificate of registration to the owner.

In the transportation industry, many aspects of a company's business may be protected through copyright, including website content and display, software source code, and instruction manuals. Like trademarks, registration of a copyright in one country does not provide automatic protection in another country. The United States and Canada are members of international treaties that impact copyright, which does simplify the ability to obtain copyright registrations in other treaty member countries.¹¹ When claiming copyright protection, one common mistake that business owners make is neglecting to have an individual who created the work assign such individual's rights to the business. In such a situation, the individual—and not the business—may end up retaining ownership of the copyright-protected work. Resolving this issue can be as simple as executing a standard form copyright assignment agreement.

IV. Patents

A patent, also known as a utility patent in the United States, is a property right available to anyone who invents or discovers a new and useful process, machine, article of manufacture, or composition of matter, or

any new and useful improvement thereof, which gives the owner of the invention the right to exclude others from making, using, selling, offering to sell, or importing into the United States the patented material for a limited amount of time.¹² The term of a U.S. patent is twenty years from the non-provisional filing date, as long as maintenance fees are paid in a timely manner.¹³ In Canada, a patent provides the exclusive right for the patent owner to make, use, and sell an invention.¹⁴ Canadian patents similarly cover a product, a composition, a machine, a process, or an improvement on any of these, and have a twenty-year term from their original filing date.¹⁵

In the transportation industry, innovative solutions, when patented, can provide a business advantage over the competition. For those innovative solutions, patent protection may be a very appropriate option. For example, a transportation company may invent and develop a software program that can generate a more efficient packing system for less-than-truckload shipping. This more efficient system could form the basis of a patent application. When determining which intellectual property should be considered for potential patent protection, it is important to note that, unlike trademarks and copyrights, patents must be federally registered—common law patent rights do not exist. In addition, it is critical that inventors do not disclose their invention to third parties. As soon as an inventor discloses material information pertaining to their invention, the inventor has a one-year deadline in Canada and the U.S. in which to file at least a provisional patent application. Otherwise, the inventor forever forfeits their right to file a utility patent application.

V. Design Patents/ Industrial Designs

A design patent is a property right which is available to a person who has invented any new, original and ornamental design for a product.¹⁶ Design patents protect the appearance of the product, and not any structural or utilitarian features.¹⁷ While utility patents protect how an invention is used and works, design patents protect the way that a product looks.¹⁸ Design patents have a term of protection for fifteen years

from the date of the grant by the U.S. Patent and Trademark Office.¹⁹ A design patent may protect an entire product, a portion of the product, or for some form of ornamentation that may be applied to a product.²⁰

The Canadian equivalent to a U.S. design patent is termed an industrial design. Canadian industrial design registrations protect the appearance of a product, and not the process of how the product is made or how the product works.²¹ An industrial design registration provides the owner with the exclusive right to the three-dimensional shape and configuration, as well as two-dimensional features on a product.²² Industrial designs may protect either the entirety of a product, or a portion of it. Industrial designs have a term of the longer of fifteen years from filing or ten years from registration.

In the transportation industry, the unique appearance of a business's products can attract consumers and can be protected using design patents/industrial designs. For example, the unique aesthetics used in a business's packaging could be worth protecting through the design patent process. Related to the efficient packing system as described previously for utility patents, both utility and design patents can be sought on a product to protect both the functionality of the product, as well as its unique aesthetics.²³ Design patent protection is often an underutilized form of intellectual property protection but can be very valuable and, in relation to utility patents, is arguably more cost-effective.

VI. Trade Secrets

In both the United States and Canada, a trade secret is information that a business either actively derives or could derive economic value from because the information is not known to others. A trade secret has value to others who are unable to obtain the information. The owner of a trade secret should use reasonable efforts to maintain the secrecy of the information.²⁴ Each of these preceding three elements must be present for a trade secret to exist. As long as these elements remain protected, a trade secret has the potential for an unlimited term. Trade secrets do not require any formal filing process with the relevant

intellectual property offices of a jurisdiction.

Due to the vital importance of maintaining trade secret confidentiality, businesses are wise to consider employing multiple methods to keep employees from sharing valuable confidential information. Protective measures can include utilizing secure facilities to keep any valuable products, such as machinery, from view by individuals who are not employed by the business, or even employees who are not required to have access to the material subject to trade secrets to do their jobs. In addition, employment agreements should typically include a confidentiality section designed to protect a company's intellectual property (including its trade

secrets). Another method to protect a business's trade secrets includes the use of non-disclosure agreements. In the transportation industry, trade secrets may exist, for example regarding shipping methods. It is important to note that trade secrets differ from patent protection. While patents, which provide the ability for inventors to exclude others from making, using, selling, offering to sell, or importing the patented invention, require an inventor to provide a detailed description of how to make and use the claimed invention, trade secrets require that businesses keep the trade secrets confidential. This means that no rights are afforded to trade secret owners to exclude others from using that information if the trade secrets are disclosed. Business

owners should consider the potential pros and cons of seeking patent protection or to maintain trade secrets.

VII. Conclusion

Intellectual property plays a significant role in the transportation industry. Multiple forms of intellectual property may overlap with one another. For example, a logo design may have both copyright and trademark protection, and many inventions can be covered by both utility and design patent protection. In general, it may be wise for companies in the transportation and logistics industry to have a coordinated intellectual property strategy that covers the jurisdictions in which the companies operate. 

Endnotes

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- ¹³ *Id.*
- ¹⁴ *What is a patent?*, CANADIAN INTELLECTUAL PROPERTY OFFICE (Oct. 5, 2020, 5:23 PM), <https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr03716.html>.
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- ¹⁶ *Design Patent Application Guide*, UNITED STATES PATENT AND TRADEMARK OFFICE (Oct. 5, 2020, 5:24 PM), <https://www.uspto.gov/patents-getting-started/patent-basics/types-patent-applications/design-patent-application-guide>.
- ¹⁷ *Id.*
- ¹⁸ *Id.*; 35 U.S.C. § 101; 35 U.S.C. § 171.
- ¹⁹ Manual of Patent Examining Procedure Chapter 1500, UNITED STATES PATENT AND TRADEMARK OFFICE (Oct. 5, 2020, 5:25 PM), <https://www.uspto.gov/web/offices/pac/mpeps/1505.html>.
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- ²¹ *Industrial designs guide*, CANADIAN INTELLECTUAL PROPERTY OFFICE (Oct. 5, 2020, 5:25 PM), https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr02300.html.
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- ²³ *See supra* note 12.
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