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Guide to intellectual property law

Probably the hottest practice group in all respects for the past several years has been intellectual property law. However, many attorneys have little idea (1) what intellectual property law is, (2) why intellectual property is so popular, and (3) the types of intellectual property attorneys that are most marketable. The purpose of this article is to answer these questions.

A. What is Intellectual Property Law?

1. Intellectual Property is a Term Encompassing Several Different Fields

On a daily basis, attorneys call us and say they want to do intellectual property law. We are always interested in talking to an attorney with experience in intellectual property law because it is, generally speaking, one of hottest practice areas in the United States. Most sophisticated firms in every market that we serve have an interest in intellectual property attorneys with certain backgrounds. However, "intellectual property law" is a very general term. There are many types of intellectual property law, and many areas of intellectual property law are not hot at all.

One of the most amusing facets of intellectual property law to us is that unless someone is practicing it, or quite familiar with it, he/she is unlikely to have a good idea about what intellectual property law is. We have found that there is a bit of confusion with respect to what it really means to be an intellectual property lawyer.

Recently, one of our recruiters received a call from the Managing Partner of a well-known law firm. This Managing Partner had been practicing law in excess of two decades and was very well known in a practice area other than intellectual property. This a rough approximation of what this conversation went like:

PARTNER: I need an IP attorney with 3-4 years of experience. We are dying for someone like that over here.
BCG RECRUITER: What kind of IP attorney? Are you looking for hard or soft IP?
PARTNER: Yeah. What do you mean?
BCG RECRUITER: Do you want someone to prosecute patents, trademarks, do IP litigation, copyrights?
PARTNER: We need them all.
BCG RECRUITER: And you are only looking for one person?
PARTNER: Yes.
BCG RECRUITER: Is the patent work you are doing focused on the electrical, mechanical, or biological side?
PARTNER: What do you mean?

Similarly, each and every day we receive calls from associates who say something like the following to us: "I am currently a litigator; however, I went to X Law School, which is ranked very highly in intellectual property law. I want to join a firm where I can do more intellectual property law." When this same associate is asked what kind of intellectual property law he/she would like to do, he/she inevitably replies, "What do you mean?"

If you are already an intellectual property attorney, you can appreciate how humorous these conversations are. At the end of this article, if you currently know little about intellectual property law, you will understand why these exchanges are so humorous.

2. What Intellectual Property Attorneys Do
The term "intellectual property" is used in its general sense to describe:

A product of the intellect that has commercial value, including copyrighted property such as literary or artistic works, and ideational property, such as patents, appellations of origin, business methods, and industrial processes. (*The American Heritage® Dictionary of the English Language*, Fourth Edition. Copyright© 2000 by Houghton Mifflin Company. Published by the Houghton Mifflin Company. All rights reserved.)

Examples of intellectual property are music, books, movies, artwork, product names, logos, slogans and packaging, inventions that qualify for patent protection, and information that is kept secret and not commonly known. Over the past 200 years, a variety of laws have developed within the United States to give intellectual works the same protections that real estate or other forms of property enjoy under the law. Indeed, intellectual property can be bought or sold just like a house or a car. Intellectual property can even be leased out.

Significantly, where property such as machines may have once been the primary source of a company's worth, in today's economy much of a company's worth comes from the ownership of intellectual property. What do you think the value of the trademark for Coke™, Microsoft's Windows operating system, or the rights to the movie *Gone With the Wind* are worth, for example? Attorneys are generally involved in protecting this type of intellectual property, and their involvement could be in any one of numerous areas of the intellectual property field. In general, there are five basic types of intellectual property work that attorneys do. While this list could certainly be toyed with after some debate, for all intents and purposes, these areas are:

- Trademark
- Copyright
- Trade Secret
- Patent
- Licensing

Trademark Law. Trademark law protects words, phrases, logos, or symbols used to distinguish one product from another. In circumstances where a competitor uses a protected trademark, the holder of the trademark can go to court and obtain an injunction to stop the use.

Copyright Law. Copyright law protects the creators of expressive works, such as artists, photographers, writers, and musicians and gives them the exclusive right to protect how their works are used. It is important to note that unlike trademark law, copyright law does not protect names or titles, for example. One way that copyright law can be distinguished from trademark law is in the advertising context. Trademark law would commonly protect the name of the product being advertised, while copyright law would protect the expression. For example, the statement in an advertisement: "If you drive this X car, you will undoubtedly realize it is among the best in the market for what it does," is an example of something that would have elements of copyright and trademark within it.

Patent Law. Patent law protects inventions. By filing and obtaining a patent from the United States Patent and Trademark Office, the inventor of a product receives a monopoly on the commercial exploitation and use of a product for up to 20 years. Patents can protect the functional features of a process, machine, manufactured item, asexually reproduced plant, or composition of matter, for example. In general, the United States Patent and Trademark Office will not issue a patent for anything unless it is:

- Non-obvious - Surprising to a person with ordinary skills in the relevant subject matter of the invention.
- Novel - New and unique in one or more elements when it is compared to previous technology.

The United States Patent and Trademark Office generally issues three types of patents:

- Plant Patents - Patents to protect certain types of plants.
- Design Patents - Patents to protect the ornamental characteristics of a given device.
- Utility Patents - Patents to protect inventions that have some type of usefulness.

Trade Secret Law. A trade secret is "a secret formula, method, or device that gives one an advantage over competitors." (The American Heritage® Dictionary of the English Language, Fourth Edition Copyright© 2000 by Houghton Mifflin Company. Published by Houghton Mifflin Company. All rights reserved.) In order to be a trade secret, the information must be such that it is not generally known to others in the business community. If the owner of the trade secret takes reasonable steps to keep the trade secret under wraps, courts will protect the trade secret owner from unauthorized disclosure by (1) industrial spies, (2) competitors who wrongfully acquire the trade secret, (3) employees of the owner of the trade secret, and (4) anyone with any type of duty not to disclose the information.

Licensing Law. While licensing law may make use of all the areas of law above, it is a popular enough type of work that it merits some discussion. A license is a grant of permission to do something with an otherwise protected work or product. A copyright holder, for example, can give permission to other individuals to copy their work. In general, licenses grant rights to do one or more of the following things:

- To reproduce a work that is otherwise protected.
- To distribute copies of the work to others by rental, sale, or lease, for example.
- To display the work.
- To prepare derivative works from the original work using protected expression from the original work.

B. Why Intellectual Property Law is So Popular?

1. The American Economy's Current Strength is Largely Based Upon Intellectual Property

If you investigate all of the intellectual property openings on our website, you will quickly become aware that it is by far the most popular practice area in terms of where the majority of open positions are. This is a function of broader trends within the American economy.

While there are many political, sociological, and other reasons given for the present dominance of the United States in the World Economy, in all respects, a great deal of the recent growth in the United States has been fueled by intellectual property-related developments. Not surprisingly, the boom that came to a screeching halt in late 2000 and the beginning of 2001 was referred to as the technology boom. In almost all sectors where technology was exploding, intellectual property had an important role in this growth.

United States economic growth has gone through several major historical transformations. While we are attorney recruiters (not historians), it is worthwhile reviewing this growth to understand the profound importance of intellectual property, the role of attorneys within this field, and why intellectual property plays such an important role in our economy. The below explanation is extraordinarily simplistic; however, it does demonstrate the point we are seeking to make:

- First, a great deal of the initial growth in the United States was due to the enormous amount of natural resources and the size of our country. In its earliest days, wealth was created by simply exploiting natural resources. A great deal of wealth and development occurred from things like beaver pelts, gold, and timber, for example.
- Second, during the 19th century, growth was fueled by the mechanization of processes to exploit our country's natural resources. The introduction of machines to exploit our country's natural resources was fundamental to the development of the United States.
- Third, over the past century, large manufacturing industries were the main wealth creators. At this point in time, intellectual property began to assume a role of some importance. Nevertheless, intellectual property was for the most part considered more of a derivative of the large manufacturing industries that fueled the development of the United States, such as the car, steel, and consumer products industries. (Incidentally, many of these industries continued to show a strong reliance on our country's natural resources.)
- , in the late 20th century and into this century, a new level of wealth creation has been occurring. In the present economic climate, the new industrial tycoons are not primarily in the steel and other types of traditional industries. In today's economic climate, valuation of companies is based more on the value of their intellectual property than on the value of harder assets, such as inventory, plants, and equipment. The real growth has been in the computer, telecommunications, pharmaceutical, and other

related industries. *Because the companies in these fields have committed enormous resources to the development of inventions and the products that accompany them, they are also more than willing to commit enormous resources to protect their intellectual property.*

Accordingly, while intellectual property was once not something of great importance, today, it is fundamental to the success of our economy. In fact, one can scarcely pick up a newspaper these days without reading an article about intellectual property disputes. Whether it is Napster or Amazon.com's "One-Click Patent," the fact is that protecting intellectual property is extremely important to most businesses. Even in the more traditional manufacturing sector, the need to protect intellectual property is strong. An article in the July 2001 edition of *California Lawyer*, for example, discussed the fact that Mattel's product, Barbie, brings in $1.5 billion in revenues annually and that Mattel aggressively protects its Barbie trademark.

In fact, this growth in intellectual property-related legal work has been so profound that courts are often at a loss as to how to deal with many of the issues. On October 2, 2000, near the height of the technology boom, CNN.com reported that:

- The high-tech world moves much faster than the judicial system, leaving judges to wrangle with issues that didn't exist a few short years ago.
- Recent cases involving online music services Napster and MP3.com and a hacker magazine that published computer codes that can be used to copy DVD movies have raised new questions about how existing copyright and intellectual property rights will deal with the Internet.
- The federal antitrust case against Microsoft has been extremely complicated, with months of testimony and thousands of documents related to innovations in Internet browser and operating systems technology.

2. Certain Types of Intellectual Property Are More Popular Than Others

With the massive amounts of layoffs in technology-dependent companies in 2001, the importance of the technology industry to the United States could not be more evident: These layoffs have had a devastating effect on almost all United States industries. While corporate attorneys have been drastically affected by the current slowdown in work throughout the United States, the same firms that are laying off corporate associates are interviewing and hiring many of our patent attorneys at an extremely aggressive rate. In one week in 2001, two of our patent attorneys were hired for positions in states they were not even residing in within a week of contacting our offices. The reason for this is that companies continue to aggressively invest to ensure that they protect their technology, and law firms need people to do this type of work.

Without a doubt, the largest demand for intellectual property attorneys is for those who can do patent work. *Approximately 85% of the intellectual property placements we make are for patent attorneys.* Review the listings on our website. There are more openings for patent attorneys than for many other practice areas combined.

In 2000, however, there were numerous openings for trademark, copyright, and licensing attorneys. Now there are significantly fewer. The question arises as to why the patent market has not been adversely affected by the current economic slowdown while other areas of intellectual property have been. In 1999 and 2000, for example, there were several openings for "e-commerce" (Internet / software / trademark / copyright / business attorneys). These openings are now few and far between. Conversely, we do not feel the market for intellectual property litigators has been adversely affected by the current economic slowdown in any meaningful way. There are several reasons why this pattern has emerged, and they are important to understand:

- First, the trademark, licensing, and copyright fields are not nearly as complex as the patent field, and they do not require a specialized scientific or technical background. In fact, many corporate attorneys are comfortable doing trademark work, and many have become generalists of sorts in the late 20th century by doing this type of work. Accordingly, with the slowdown in general corporate work, corporate attorneys can easily be transitioned into doing trademark work.
- Second, while there are some high-profile exceptions to this rule, very few firms in the United States have separate trademark, copyright, and licensing departments. Many patent attorneys may be called upon to do both trademark and copyright work in addition to whatever their fields of specialization are. In addition, some people perceive that trademark, copyright, and licensing work is less intellectually taxing than doing

patent prosecution. Many patent attorneys like doing copyright and trademark work because it is a break of sorts from doing straight patent prosecution. Accordingly, many firms and corporations like to offer patent attorneys a wider variety of work in order to keep them happy.

- Third, given the importance of intellectual property to their success, companies will aggressively protect it at all times. Accordingly, regardless of an economic slowdown or otherwise, firms are likely to keep their plates quite full with intellectual property-related litigation. Unlike patent prosecution, however, intellectual property litigation (even litigation involving patents) can be handled by litigators who do not have technical backgrounds. *There has continued to be a strong demand for intellectual property litigators in 2001 despite a slowing general economy.*
- Fourth, patents are by far one of the most useful means for protecting intellectual property, and companies are continually investing aggressively in the prosecution of patents. The fact that there are so few patent attorneys compounds the demand for them at most points in time. Given the importance of patent work, we have dedicated a more comprehensive discussion to understanding the continual need in this sector of law below.

3. The Reasons Patent Attorneys Are Continually in Demand

Patent law is without a doubt one of the most active areas for any type of recruiting in the United States, and we have seen no noticeable slowdown in patent recruiting despite the slowdown in the American economy that started in late 2000. As the American economy continues technology-oriented growth, the need for patent attorneys will follow. There are several reasons patent attorneys are in such demand:

- First, one of the reasons that the need for patent attorneys is so strong is that there are very few of them. Over the past five years, the percentage of practicing patent attorneys simply has not increased as a percentage of all the attorneys practicing in the United States. The percentage of practicing patent attorneys compared with the total attorney population has consistently remained at approximately 1.5 percent. There are only approximately 20,000 patent attorneys in the United States, while there are approximately 1,500,000 other attorneys.
- Second, in order to become a patent attorney, it is not enough just to take the bar exam of a given state. In addition, an attorney must also take the United States Patent and Trademark Office's Patent Bar Exam.
- Third, in order to even sit for the Patent Bar, an applicant needs prior training at the Bachelor's degree level in a science or engineering field (or significant college credits in one of these fields). While there are certainly many people who graduate each year with technical and science degrees, very few of these people may have any interest in attending law school (and accumulating high levels of debt) because the market for these individuals is extremely good even without a law degree. Over the past several years, the demand for people to do research and development has grown rapidly, and many of these people can easily get super jobs without ever attending law school. Virtually every person who operates a computer-dependent business knows how difficult it is to find computer programmers, for example. In the biotechnology arena, there are also a high number of positions that consistently go unfilled.
- Fourth, assuming the potential patent attorney even has the requisite training to qualify to take the Patent Bar, he/she must also pass it, and the pass rate for the patent bar exam is much lower than for most bar exams-it typically ranges from 28% to 40%. In the 1996 exam, for example, 968 people passed, and 1,794 failed.
- Fifth, the demand for patent attorneys is compounded by the fact that the need for patents has continually increased dramatically. For example, a recent article in the *Legal Times* stated that the number of patents issued each year has increased 30-40 percent since 1990. During the same period of time, the number of software patents increased by approximately 200 percent.
- Sixth, it is also important to note that attorneys with technical expertise in certain fields are far more likely to obtain employment as patent attorneys than other types of patent attorneys. This fact, in turn, makes the pool of potential candidates for patent positions even smaller. While there are certainly differences that could be pointed out, for the most part, the expertise of patent attorneys falls into the following categories: (1) the life sciences, (2) chemistry and pharmaceutical, (3) material science, (4) electrical engineering, (5) physics, (6) mechanical engineering, (7) medical devices, and (8) computer science. In terms of demand, the greatest demand is for attorneys with backgrounds in electrical engineering or computer science. There is also a strong demand for attorneys with biotechnology, biochemistry, or organic chemistry backgrounds. The lesser demand is for those with mechanical or chemical backgrounds.

C. Conclusions

Intellectual property is a broad, broad field, and anyone contemplating a career in this field needs to understand this. The intellectual property field is among the most important legal fields in the United States because the involvement of intellectual property attorneys has been integral to the expansion of the economy in this country.

The specialty of intellectual property law in greatest demand is patent law. For the most part, patent attorneys are exceedingly marketable if they have the right backgrounds. This is due to the fact that there are so few of them and that the work they do has been expanding at a rapid pace. In terms of the growth in the patent field, however, there are also numerous different types of patent attorneys, and their areas of expertise can affect their marketability.