Protecting IP: A Review and Update of Trade Secret, Patent, Copyright and Other Intellectual Property Law  **11:30-1:30**
Co-Sponsored by the Intellectual Property Law Committee

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Introduction to Trade Secrets

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"I know Pasteur didn't work under these conditions, but Pasteur didn't have fifty companies trying to steal his trade secrets."

What is a trade secret?

- Trade secret means information, held by one or more people, without regard to form, including a formula, pattern, business data compilation, program, device method, technique, design, diagram, drawing, invention, plan, procedure, prototype or process, that:
  
  1. Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and
  
  2. Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy
Examples of trade secrets

Coca-Cola moves ‘secret formula’ to new vault in Atlanta

Coca-Cola has moved the "secret formula" for its international brand-name soft drink to an impressively high security-looking vault in Atlanta.

On Thursday, the company released photos of the formula’s new home as part of a promotional campaign for its shrine-like World of Coca-Cola museum, where the recipe is now entombed in a massive steel vault.

Since its creation 125 years ago, Coca-Cola has kept its formula a jealously guarded trade secret, spinning elaborate marketing mythologies about the ingredients and the people who know them.
The Big Mac Special Sauce

In 2004 McDonald's acknowledged that they had lost the recipe for the Big Mac special sauce. As it turns out, McDonald's changed the original special sauce recipe to cut costs and lost the original. When a returning exec wanted to return to the original special sauce, no one could find the recipe. The exec remembered the name of the California company that supplied the sauce 36 years ago. They still had the sauce in their record books, and McDonald's was able to recover the recipe. (Source: Newsvine.com)
KFC Chicken Recipe

Only two KFC executives know the finger-lickin' recipe of 11 herbs and spices. A third executive knows the combination to the safe where the handwritten recipe resides. Less than a handful of KFC employees know the identities of the three executives, who are not allowed to travel together on the same plane or in the same car for security reasons. After being locked in a safe for 68 years, Colonel Harland Sanders' handwritten recipe was temporarily relocated to a secret-secure location as KFC modernizes its safekeeping. It was transported in an armored car and high-security motorcade.
WD-40 Formula

The formula for WD-40 is locked in a bank vault and has only ever been taken out of the vault twice -- once when they changed banks and once on the CEOs 50th birthday. The CEO rode into Times Square on the back of a horse in a suit of armor with the formula. The company mixes WD-40 in a concentrated form in three locations -- San Diego, Sydney and London -- and then sends it to aerosol manufacturing partners.
Lena Blackburne Rubbing Mud

For nearly three quarters of a century, a special variety of Jersey muck, Lena Blackburne Baseball Rubbing Mud, has been removing the sheen from baseballs for just about every professional baseball team in the country. The exact location of the mud hole from which it comes (along the tributaries of the Delaware River) and whether any ingredients are added to the mud remain a secret.
Plasma Display Secrets

A 49-year old man known only as Jeong (from Korea) copied more than 1,182 top secret plasma display technology-related files onto his personal drive before waltzing out of LG's doors for the final time in July of 2005. A few months later, Chinese manufacturer Changhong-Orion PDP-Chaihong welcomed him with open arms and paid him a fat salary of roughly $300,000 a year (not to mention a few perks: free apartment, vehicle etc.), while casually accepting both the aforementioned files and continued insider leaks at LG -- information supposedly valued at over a billion dollars.
Listerine

One of the most famous trade-secret licensing deals was struck in 1886 between J.J. Lawrence, the maker of Listerine, and the Lambert Pharmaceutical Co. By 1956, Lambert had paid more than $22 million in licensing fees to the Lawrence family. The trade secret, however, had been made public years earlier, and Warner-Lambert [now Pfizer Inc.] decided that fact voided the earlier agreement. The U.S. courts disagreed, ruling that royalty payments on Listerine should continue because the company had gained a clear advantage in the marketplace by getting the formula first.
Other examples of trade secrets

- Sales data
- Financial data
- Customer preferences
- Manufacturing processes
- Testing techniques
- Business plans
- Compositions of public data, not easily or readily compiled
"Sign this non-disclosure agreement — I'm going to use a secret recipe."
Reasonable Efforts to Maintain Secrecy and “Not Readily Ascertainable”

- Protected by employment agreement, confidentiality agreement, joint venture agreement or other contract
- Kept secret or secured by:
  - Protected password
  - Limited access
  - Protected storage
  - Marked “confidential”
- Not in or readily in the public domain
- Only partially in the public domain
- A compilation of separate information that, although public, is not easily or readily compiled
- Not easily reverse engineered
Not easily “reverse engineered”

- Reverse engineering means “working backward” to analyze a “known product” that was obtained “lawfully” or from sources having the legal right to convey it.” N.J.S.A. 56:15-2

- The ease of reverse engineering is measured by the amount of “investment of time, effort and energy” needed for reverse engineering, and is very fact sensitive. Avidair Helicopter Supply v Rolls Royce Corp., 663 F.3d 966, 972 (8th Cir. 2012). For example,
  - Ability to reverse engineer cement mixer in 6 months, did not defeat misappropriation claim because of the economic value of plaintiff's advantage during that “short” time period. Cemen Tech v Three D Indus., 753 N.W.2d. 1, 9 (Iowa S.Ct. 2008)
  - Analog circuitry deemed a trade secret because it would take 9 months to 2 years to reverse engineer. Televation Telecom Sys. v Saindon, 522 N.E.2d. 1359 (Ill.App.1988).
  - Processes for creating particles and solvents for liquid chromatography columns were trade secrets because reverse engineering required the “tedious process of testing molecular combinations with a variety of other components.” Agilent Technologies v Kirkland, 2012 WL 33031, *19 (Del.Ch. 2010).
Misappropriation

“Misappropriation” means:

(1) Acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or

(2) Disclosure or use of a trade secret of another without express or implied consent of the trade secret owner by a person who:

   (a) used improper means to acquire knowledge of the trade secret; or
   (b) at the time of disclosure or use, knew or had reason to know that the knowledge of the trade secret was derived or acquired through improper means; or
   (c) before a material change of position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired through improper means

N.J.S.A. 56:1-2

Reverse engineering is not an “improper means” of acquiring a trade secret in and of itself; reverse engineering is a measure of whether the alleged trade secret is readily ascertainable
Examples of Misappropriation

- In violation of a contract or agreement, in violation of the duty of loyalty,
- Theft and espionage
- By a departing employee, officer or principal
- By a joint-venturer
Protecting Trade Secrets During Litigation

In an action under this act, a court shall preserve the secrecy of an alleged trade secret by reasonable means consistent with the Rules of Court as adopted by the Supreme Court of New Jersey.

N.J.S.A. 56:15-7
Describing Trade Secrets In The Complaint

The Complaint must sufficiently identify, but need not – and should not – actually disclose the trade secret.

- **Osteotech, Inc. v Biologic, LLC, 2008 WL 686318, *4 (D.N.J. 2008)** (“A misappropriation of trade secrets claim is not subject to a heightened pleading requirement”);

- **Compare, Jurista v Amerinox Processing, Inc., __ F.Supp.2d __ (D.N.J. 2013)** (“merely” describing misappropriated assets without “identify[ing] or defin[ing] what trade secrets or proprietary information” were taken was insufficient); and **Reckitt Benckiser, Inc. v Tris Pharma, Inc., 2011 WL 773034, *5 (D.N.J. 2011)** (complaint sufficiently described stolen trade secrets as “the Delsym® manufacturing process, Delsym® formulations and other private information concerning Delsym® and related research and development” involved in an over-the-counter cough syrup)
Pleading Trade Secrets In The Complaint

See also, Wilcox Industries Corp. v Hanson, 870 F.Supp.2d 296, 309 (D.N.H. 2012) (Complaint sufficiently described trade secrets as the “design specifications,” “materials specifications,” information relating to the development of parts and components,” manufacturing and assembly processes,” “customer information,” “marketing strategies,” “details of contracts and its communications with its current and prospective customers” used in “military equipment, including a self-contained breathing apparatus, that can be used in hazardous or contaminated environments”); Eastman Chemical Company v Alphabet Inc., 2011 WL 5402767, *1 and 5 (D.Del. 2011) (Complaint’s “repeated references to IntegRex™ PET technology” sufficiently “identified the illicit disclosure and use of information relating” to a “particular type of melt-to-resin technology”)

Applying For An Injunction


Describing Trade Secrets In
Discovery


- Use Umbrella Protective Order to enable you to identify the trade secret to opposing counsel or, perhaps, the opposing party without jeopardizing the secrecy and trade secret status of the alleged trade secret. *Keyspan Services, Inc. v Kay, docket no. A-6515-01T3 (App. Div. 2003)(citing Annotated Manuel for Complex Litigation, Section 21.432 (3d ed 2002) as basis for implementing Umbrella Protective Order); *Arista Records, Inc. v Launge Media, Inc., 2002 WL 31458228,*2 (S.D.N.Y. 2002)(denying access to documents, “not withstanding the good faith requirement of compartmentalization” that the requesting party “doubtless would endeavor to honor” ); *Micon Technology, Inc. v Mosel Vitelic Corp., 1999 WL 458168, *6 (D. Idaho 1999) (recognizing “the difficul[ty]” of “the human mind to compartmentalize and selectively suppress information once learned no matter how well-intentioned the effort may be to do so”)
Use or Disclosure of Trade Secrets Constitutes Irreparable Harm


- **Everett Laboratories, Inc. v. Rivers Edge Pharmaceuticals, LLC**, 2009 WL 4508584, *5* n. 8 (D.N.J. 2009) (“loss of market share is difficult to quantify” and, therefore, “constitutes irreparable harm”); ToysRUs, LLC v. Amazon.com Kids, Inc., 2005 WL 846141, *5* (Ch. Div. 2005) (“Courts have frequently found irreparable harm . . . because of the difficulty in estimating damages that adequately compensate for the loss of inherent, unique, intangible benefits such as good will and competitive market position”)

- **Esquire Deposition Services v Boutout**, 2009 WL 1812411, *9* n. 14 (D.N.J. 2009) (“A rebuttable presumption of irreparable harm might be warranted in cases where there is a danger that, unless enjoined, a misappropriator of trade secrets will disseminate those secrets to a wider audience or otherwise irreparably impair the value of those secrets”); Osteotech, Inc. v Biologic, LLC, 2008 WL 686318, *4* (D.N.J. 2008) (inevitable disclosure doctrine supports finding of irreparable harm)
Royalties

- Paid by the party who obtained and invested in or relied upon the trade secret before knowing of misappropriation; may be obtained in lieu of complete injunction as well as final remedy. N.J.S.A 56:15-3
- Evidence of value, anticipated profits, and saved expense may be required to determine the amount of the royalty
Damages, Attorneys and Expert fees and Punitive Damages

- Damages can include the actual loss and the amount of unjust enrichment obtained by the offending party
- Fees for willful and malicious misappropriation
- Fees for misappropriation suit or application for an injunction made or opposed in bad faith
- Punitive damages up to twice the actual damages described above

N.J.S.A. 56:15-4 and -6
Using Trade Secrets To Protect Biotechnology

- In Ass’n For Molecular Pathology v Myriad Genetics, ___ U.S. ___, 133 S.Ct. 2107, 186 L.Ed.2d. 124 (2013), the U.S. Supreme Court unanimously held that “a naturally occurring DNA segment is a product of nature and not patent eligible merely because it has been isolated. Id. at 2111. However, synthetic DNA – known as “cDNA” could be patent eligible “because it is not naturally occurring.” Id.
A “lab technician unquestionably creates something new when cDNA is made” because cDNA from the DNA from which it is derived” Id. at 2119.

However, cDNA’s patent eligibility is not without exception because “cDNA may be a patent ineligible product of nature when,” under certain circumstances, it is “indistinguishable from natural DNA’ and presumably not patentable.” In Re BRCA1 and BRCA2-Based Hereditary Cancer Test Patent Litigation, 3 F.Supp.3d. 1213, 1242 (D.Utah 2014) (quoting Myriad, at 2119-2120)
Biotech Continued

- Compare, Genetic Technologies, Ltd. V Bristol-Meyers Company, ___ F.Supp. 3d. ___ (D.Del.2014) (dismissing a patent claim regarding “amplification” of DNA - the process by which scientists copy a portion of DNA for study – because “although amplification” of “is carried out in a laboratory by a human, it is a replication of the native DNA sequence, resulting in a mirror image of the naturally-occurring genetic information”) and Genetic Techs. Ltd. v Agilent Techs. Ltd., ___ F.Supp.3d. ___ (N.D.Cal. 2014) (declining to dismiss a patent claim regarding an amplification method where the Complaint averred that “the amplification step creates a chemically distinguishable molecule”)
Scope of Pre-emption Under NJ Trade Secrets Act N.J.S.A. 56:15-1

- 56:15-9. Rights and remedies deemed supplemental; governing law
  a. The rights, remedies and prohibitions provided under this act are in addition to and cumulative of any other right, remedy or prohibition provided under the common law or statutory law of this State and nothing contained herein shall be construed to deny, abrogate or impair any common law or statutory right, remedy or prohibition except as expressly provided in subsection b. of this section.
  b. This act shall supersede conflicting tort, restitutionary, and other law of this State providing civil remedies for misappropriation of a trade secret.
- 56:15-9(a) unique to NJ version of the UTSA
- No officially reported interpreting opinions
Does NJTSA preempt common law causes of action that are based upon the same set of operable facts as claim for trade secret misappropriation?

Displaced marketing services vendor sued successor vendor based upon alleged misuse of proprietary information and marketing system for:
- Violation of the NJTSA
- Misappropriation of confidential information in violation of common law
- Conversion
- Trespass to chattels
- Unfair competition
- Tortious interference with contract
- Civil conspiracy
SCS Healthcare’s Holding

- Other states following the UTSA or substantially similar versions of the UTSA have “uniformly interpreted [it] to preempt previously existing misappropriation of trade secret actions, whether statutory or common law.”
- NJTSA expressly preserve non-conflicting common law claims relating to misappropriation of trade secrets.
- N.J.S.A. 56:15-9(a) expressly preserves New Jersey common law claims that do not conflict with the provisions of the NJTSA, even if based on the same set of operable facts.
How The NJTSA May Dovetail with The Alice Corporation Case

- Congress has specified that “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor ....“ “Excluded from such patent protection are laws of nature, natural phenomena, and abstract ideas.”

In Alice Corporation Pty. Ltd. v CLS Bank International, 134 S.Ct. 2347 (2014), the Supreme Court identified a two-part analysis for distinguishing patents that claim abstract ideas from those that claim patent-eligible applications of abstract ideas. “First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts.” Id. at 2355.

The Federal Circuit defined an abstract idea as constituting “disembodied concepts or truths which are not ‘useful’ from a practical standpoint standing alone, i.e., they are not ‘useful’ until reduced to some practical application.” In Re Alappat, 33 F.3d. 1526, 1543 n. 18 (Fed. Cir. 1994)

After Alice, “a patent-eligible application” must at least contain an “element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.”
NJ’s Common Law Theft Of Idea Claims


- To prevail on a theft of idea claim, a plaintiff must establish that his or her idea was: (1) novel; (2) disclosed to the defendant in confidence; and (3) used by the defendant. Johnson v Benjamin Moore, 347 N.J. Super. 71, 96-97 (App.Div.2002).

Novelty

- The following factors are relevant in determining whether an idea is novel:
  1. Specificity or generality ("generic or of specific application")
  2. Commonality (how many people know of the idea)
  3. Originality (how different from generally known ideas)
  4. Commercial viability (how widespread in the industry)
  5. Obviousness (an adaptation or application of a publically known idea)
  6. Secrecy (adequate steps to maintain its secrecy)

Absolute Novelty vs Novelty To The Buyer

- In *Johnson v Benjamin Moore*, 347 N.J. Super. 71 (App.Div.2002), the New Jersey Appellate Division adopted the standard announced in *Nadel v Play-By-Play Toys & Novelties, Inc.*, 208 F3d. 368, 378 (2d Cir. 2000), which distinguishes between idea submission claims that are property-based - which “can only arise from the taking of an idea that is original or novel in absolute terms” - and claims that are contract-based - which must only satisfy a “novelty to the buyer” standard. *Baer v Chase*, 2007 WL 1237850, *4* (D.N.J. 2007).

Winning a Theft-Of-Idea Claim

- “[W]hen the question is whether a person’s idea has wrongfully been used, ‘similarities between the submission and the ultimate product may justify the factual inference that one was copied from the other’”
Thank you

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Intellectual Property Protection

- Patents are granted by the Federal Government for products, processes, machines, methods that are new, useful and non-obvious.
  - Exclusive Right to Make, Use, Import or Sell
  - Utility Patents
  - Design Patents-Ornamental Features
  - Plant Patents
Intellectual Property Protection

• United States recently converted to a First to File Priority System for Patent Applications
  • Creates a race to the Patent Office
  • The first patent application filed in the U.S. has priority over later filed applications if both claim the same invention
Intellectual Property Protection

- When patent application is filed, product can be referred to as patent pending
  - No rights to enforce patent until after examination and the patent issues
  - Typically 3 years to go through the patent process
  - Can pay additional filing fees to the PTO for expedited examination of the application
Intellectual Property Protection

• **Patent Validity**
  • Patent is issued with a presumption of validity
  • Validity can be challenged by a party accused of infringement as a defense to a claim of infringement
  • Validity can also be challenged by a competitor in proceedings in the Patent Office
Intellectual Property Protection

- **Patent Monetization**
  - New buzzword for licensing and/or enforcing patents through litigation
    - Creating a patent portfolio to cover a product area if possible
  - In order to maximize value, need valid patent claims that cover product, method, process, software in a way that is hard to design around economically
  - Cover secondary revenue streams if possible associated with product
Patent Trolls

- Non-Practicing Entities who have acquired rights to a patent and then attempt to force a license by threatening a lawsuit
- Trolls have been around for a long time but two things are different recently
  - Now many are well financed companies
  - Many business method and software patents issued that are of questionable validity now being asserted by Patent Trolls against end “users” of software rather than going after companies that sell software
Intellectual Property Protection

• Patent Litigation
  • Costly time consuming litigation
  • Exposes Patent to validity challenge
  • Remedies
  • Local Patent Rules in N.J. Federal Court
PATENTABILITY OF SOFTWARE

• Recent Supreme Court case Alice v. CLS Bank
  – Split in Federal Circuit on standard for patenting software
  – Supreme Court Issues Two-Part Test
  – The floodgates are now open.
  – Numerous Cases since Alice where Courts and Patent Office are invalidating software patents
  – Consider Copyrighting source code as alternative
CASE #1

A system of computerized meal planning, comprising:

• a User Interface;

• a Database of food objects; and

• a Meal Builder, which displays on the User Interface meals from the Database, and wherein a user can change content of said meals and view the resulting meals’ impact on customized eating goals.
CASE #2

A computer program product stored in a computer readable medium for reporting on a collection of network usage information from a plurality of network devices, comprising:

- computer code for collecting network communications usage information in real-time from a plurality of network devices at a plurality of layers;
- computer code for filtering and aggregating the network communications usage information;
- computer code for completing a plurality of data records from the filtered and aggregated network communications usage information, the plurality of data records corresponding to network usage by a plurality of users;
- computer code for storing the plurality of data records in a database;
- computer code for submitting queries to the database utilizing predetermined reports for retrieving information on the collection of the network usage from the network devices; and
- computer code for outputting a report based on the queries;
- wherein resource consumption queries are submitted to the database utilizing the reports for retrieving information on resource consumption in a network; and
- wherein a resource consumption report is outputted based on the resource consumption queries.
Intellectual Property Protection

• What is a Trademark? an arbitrary sign or symbol which identifies the origin of goods.
What is a Service Mark? identifies services instead of goods – i.e., hotel, restaurant, etc.
Intellectual Property Protection

- Trademark v. Trade Name
- Trade name is a name used to identify a person’s business
- Trade name identifies business or company, whereas trademarks identify and distinguish goods and their source
Intellectual Property Protection

• TYPES OF TRADEMARKS – SPECTRUM OF “STRENGTH” FROM STRONGEST TO WEAKEST
Intellectual Property Protection

• **Fanciful** – word has no meaning except as trademark: Coined words i.e., a Xerox, Exxon, Clorox. (Inherently distinctive);
Intellectual Property Protection

• **Arbitrary** – word has a meaning, but not in context in which it is used – without meaning as applied to product – i.e., “Camel” for a cigarette;
Intellectual Property Protection

• **Suggestive** – give you a sense of what goods or services are – suggests product or describes a quality of product – *i.e.*, Park’n Fly, The Uncola, - can be protected but inherently “weak”.
Intellectual Property Protection

- **Descriptive** - identifies or describes qualities, ingredients or characteristics of product cannot be trademark – i.e., Light (for Beer), Superglue, Multistate Bar Examination.
Intellectual Property Protection

- **Generic** – can never be TM – common commercial name of article.
Intellectual Property Protection

TRADEMARK REGISTRATION
UNDER FEDERAL LAW

Major effect of Federal Registration is to give public notice of a Trademark right and to expand the scope of the right to the geographical limits of the U.S. – Registration will preempt anyone from starting use after date of registration.
Intellectual Property Protection

Two bases For Federal Registration:

1) Existing mark acquired through use;
2) Bona fide intent to use.
Intellectual Property Protection

Madrid Protocol

• One application designating member countries.

• File through US. Trademark Office (need to have identical U.S. registration or application).
Intellectual Property Protection

STATE LAWS FOR TRADEMARK REGISTRATION

NJ Mimics Federal Law
Intellectual Property Protection

INFRINGEMENT

1. Likely to cause confusion, mistake or to deceive.

2. Basic Test is likelihood of confusion in minds of appreciable no. of “reasonably prudent buyers”.

3. Compare marks and compare goods or services.
Intellectual Property Protection

UNFAIR COMPETITION UNDER §43(a)

• Basis for Federal Law of Unfair Competition.
Intellectual Property Protection

ANTI-DILUTION UNDER §43(c)

• For Protection of famous marks.
Intellectual Property Protection

ANTI-CYBERSQUATTING UNDER §43(d)

• Bad Faith registration of confusingly similar domain names.
Intellectual Property Protection

UNIFORM DOMAIN NAME DISPUTE RESOLUTION UNDER ICANN RULES
Intellectual Property Protection

COPYRIGHT PROTECTION

• Originality of expression – the thought or concept cannot be protected.
• Work is => fixed in tangible medium of expression from which it can be perceived.
Intellectual Property Protection

**DURATION**

- Life of Author plus 70 years or 95 years from publication or 120 years from creation if not published, whichever is shorter for works made for hire and anonymous or pseudonymous works.
Intellectual Property Protection

**FORMALITIES**

- Notice no longer required, but is recommended.
  - ©/year of 1st publication/name

- Registration necessary to bring suit.
Intellectual Property Protection

INFRINGEMENT

• Access and substantial similarity.
Intellectual Property Protection

Copyright Protection

• **Originality of expression** – the thought or concept cannot be protected.

• **Work is created** - fixed in a tangible medium of expression from which it can be perceived.
Intellectual Property Protection

Copyright Ownership
Intellectual Property Protection

Works Made For Hire
will only belong to company if:

• Prepared by employee in strict sense of the word (within scope of employment); or
Intellectual Property Protection

Works Made For Hire
will only belong to company if:

• Specially commissioned work, fits into the statutory categories, (i.e, contribution to a collective work), and parties expressly agree in written instrument signed by them that is a work made for hire; or
Intellectual Property Protection

Works Made For Hire
will only belong to company if:

• Formal assignment.
Intellectual Property Protection

FAIR USE DEFENSE TO INFRINGEMENT

• Equitable doctrine based on facts of each case.
• Generally, for purposes of criticism, comment, news reporting, teaching, scholarship, research.
Factors To be considered in determining fair use:

• 1. Purpose and character for use – commercial or nonprofit.
• 2. Nature of the work (factual/fictional).
• 3. Amount of portion used in relation to whole.
• 4. Effect of use on potential market for or value of the work.
John Stone is a partner in the Teaneck and New York state offices of DeCotiis. He joined the firm as a partner in 2008 and is a member of the Litigation and Construction practice groups.

Mr. Stone's practice focuses on complex business matters, including trade secret and intellectual property litigation, unfair competition and tortious interference claims, insurance coverage cases, construction disputes, financial litigation and intra-company disputes, as well as Constitutional claims and Section 1983 cases. Mr. Stone also litigates claims for injunctive and other equitable remedies in New Jersey's Chancery Division and New York's Supreme Court, Commercial Division. He has tried lender liability, tortious interference, fraudulent conveyance, and oppressed shareholder cases. His cases include:

- “Put-back” litigation based on fraud, breach of contract and warranty, and failure-to-cure claims arising from multi-million dollar sales of mortgage “pools,” pursuant to a Master Purchase and Sale Agreement which governed a Real Estate Mortgage Investment Conduit; and defending a securities fraud suit brought by the New Jersey Bureau of Securities.

- A founder of a pharmaceutical corporation's claims against the management that took over that company after it went public regarding the control, management, and proprietary rights.

- A suit between parties to a pharmaceutical joint venture regarding trade secrets and profits.

- A dispute between the estates of two deceased partners and the remaining partner in a real estate development company regarding management, control and rights to certain properties and profits.

- Applications for injunctive relief between generic drug manufacturers, sellers and importers of clothing and creators and designers of an “app.”

- Construction delay, negligent design, breach of warranty, breach of contract and wrongful or exaggerated lien claims concerning highway bridge repairs, sewage treatment plant, and commercial office and public school buildings.

- Claims regarding an exclusive insurable interest in, fire insurance proceeds from, and replacement value of a multi-unit apartment building; and suits concerning insurance coverage for a trucking fleet damaged by Hurricane Sandy, advertising injury, and franchisor liability.

- An unconventional and successful undue influence claim for insurance proceeds based on an enabler-beneficiary's control over alcoholic-decedent and forensic psychiatric analysis, despite decedent's lucidity when naming his beneficiary.
Articles:

- **The Forthright Negotiator Principle: Low-Hanging Equitable Fruit That’s Ripe for Picking,** New Jersey Lawyer Magazine (April 2014/No. 287)
- **Managing Discovery to Prevent Fishing Expeditions in Trade Secret Litigation,** New Jersey Lawyer Magazine (June 2009/No. 258)
- **Sub-Prime Market Crisis Challenges Fiduciaries to Account to Investors; Court Alters Landscape in Which Fiduciaries Operate,** New Jersey Law Journal (June 23, 2008)
- **Attorneys Fees for the Surety When Surety and Principal Retain Separate Counsel,** New Jersey Insurance Law & Regulation Reporter, Volume 3, No. 2 (March 1993).

Education:

Mr. Stone received his B.A. from Franklin & Marshall College in 1982 and his J.D. from the University of Richmond, Virginia in 1985. He has also studied International Law at Cambridge University in Cambridge, England.

Public Speaking:

Mr. Stone has given Continuing Legal Education seminars on the law of trade secrets, trade dress, and theft-of-ideas.

Bar Admissions:


Published Decisions:

- **Cacciatore vs. County of Bergen**, 2005 WL 3588489 (D.N.J. 2005)
- **State vs. Township of Lyndhurst**, 278 N.J. Super. 192 (Ch. Div. 1994)
- **In Re Rosen**, 151 B.R. 648 (Bkrtcy. E.D.N.Y. 1993)
- **Waldorf vs. Shuta**, 96 F.2d 723 (3rd Cir. 1990)
Arthur M. Peslak, Esq. is a registered patent attorney and a member of the Intellectual Property Practice Group at Gertner Mandel & Peslak, LLC. Mr. Peslak is an engineer and a seasoned patent attorney with many years of experience in the areas of patent prosecution and litigation, as well as other types of intellectual property litigation.

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