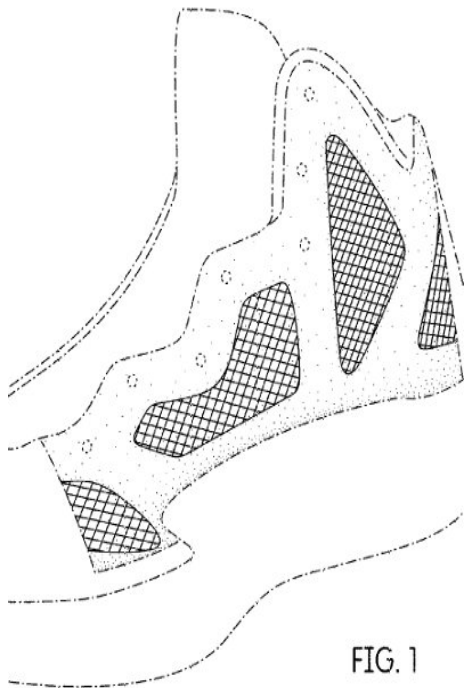


## NIKE's Shoe Empire



NIKE Inc is consistently one of the top owners of design patents directed to shoes, holding approximately 5,000 patents for shoe styles and shoe elements. These patents, which bring over \$10 billion in yearly revenue, are tightly held and rigorously defended in litigations against companies such as WalMart and rival Adidas. While some earlier patents (featuring "Air" technology) have since expired, the 10K annual report states, "we believe our success depends primarily upon skills in design, research and development, production, and marketing rather than upon our patent position."

Due to an ever-changing world of whirlwind fashion and latest design, it is imperative for NIKE to develop new technology and styles for public consumption. In addition to the numerous patents it developed, the shoe giant also acquired those belonging to subsidiary companies such as Hurley, Umbro, Converse, and Cole Haan to expand its marketing portfolio into the realm of skateboarding, golf, soccer and women's fashion.

Please contact this office should you have any further questions about design patents.

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### Did you know?

- Alexander Graham Bell's patent for the telephone in 1876 beat out competitor Elisha Gray's invention by a few hours.
- To date, 8 million patents and 3 million patent applications have been made available for public viewing by the USPTO.
- Mary Dixon Kies, a Connecticut native, was the first woman to receive a US patent for a method of weaving straw with silk in 1809.

## Women & Intellectual Property

The past few years have proved rewarding for up-and-coming businesswomen and inventors, according to a recent study commissioned by the National Women's Business Council in conjunction with the USPTO. In 1990, women held a mere 9% of all US patents, but by 2000 that

number increased to 14% and again by 2010 to 18%. By 2050, an optimistic figure states that approximately half of all US patents could be held by women, in top categories such as chemistry, furnishings, device manufacturing, and pharmaceutical products.

In addition, 33% of all US trademarks were granted to women in 2010, twice that had been granted in 1980. Clothing, education, entertainment, advertising and business were among the top industries in which women sought legal protection for their marks.

# What is a Trade Secret?

Typically, any confidential business information which provides an enterprise a competitive edge may be considered a trade secret. Trade secrets often encompass manufacturing or industrial secrets and commercial secrets. The unauthorized use of such information by persons other than the holder is usually regarded as an unfair practice and a violation of the trade secret.

## How to Protect a Trade Secret

Contrary to patents, trade secrets are protected without registration, which normally means trade secrets are protected without any procedural formalities. Consequently, a trade secret can be protected for an unlimited period of time. For these reasons, the protection of trade secrets may appear to be particularly attractive. However, there are some conditions for the information to be considered a trade secret. Compliance with such conditions may turn out to be more difficult and costly than it would appear at first glance. While these conditions vary from country to country, some general standards exist which are referred to in Art. 39 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).

- The information must not be

generally known among, or readily accessible to, circles that normally deal with the kind of information in question.

- It must have commercial value due to its secrecy.
- It must have been subject to reasonable steps by the rightful holder of the information to keep it secret (e.g., through confidentiality agreements).

## Disadvantages of a Trade Secret

- If the secret is embodied in an innovative product, others may be able to inspect it, dissect it and analyze it (i.e. "reverse engineering") and discover the secret and be thereafter entitled to use it. Trade secret protection does not provide the exclusive right to exclude third parties from making commercial use of it. Only patents and utility models can provide this type of protection.
- Once the secret is made public, anyone may have access to it and use it at will.

- A trade secret is more difficult to enforce than a patent. The level of protection granted to trade secrets varies significantly from country to country.
- A trade secret may be patented by someone else who developed the relevant information by legitimate means.

Please contact this office should you have any further questions about trade secrets.



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