

INTELLECTUAL PROPERTY

What your clients need to know!

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SCORE: Merrimack Valley Chapter

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Disclaimer!

We hope that this presentation will increase your understanding of intellectual property law and principles. **However**, it is **not** intended and should **not** be construed as legal advice. We recommend that you consult a licensed IP practitioner concerning IP matters particular to you or your company.

What are a company's most important assets?

People (talent, skill, experience)

Reputation (good will)

Business Information

Ideas/Innovations

Creative works

How can your clients protect

- their reputation?
- their information?
- their innovations?
- their creative works?

Only by taking ownership of their Intellectual Property

Knowledge is power!

The Source of our IP Rights

The granting by the Sovereign of “letters patent” began in England in **1331** (and may have begun in Greece around **500 BC**)



US Constitution, Article 1, Section 8:

“Congress shall have the power to ... To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”

Who is Maine Cernota & Rardin?

- Practice founded in 1993
- Focus on Intellectual Property
- 4 Licensed Patent Professionals
- Expert Paralegal Staff & Systems
- U.S. and Global client base



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Learn about the rest of MCR's talented staff at
www.mcr-ip.com

What is Intellectual Property?

The creative work product of authors, artists, and inventors over which someone exercises ownership or control:

- creative works, including text, software code, images, sculptures, music
- private information and inventions, including client lists, new methods, devices, and systems
- reputation, as projected by source identifiers such as brand names, logos, etc.

Why is Intellectual Property Important to Your Client's Business?

- *Incentivizes and drives important innovations.*
- *Expands in-house technical prowess and capability.*
- *Creates wealth and unique business opportunities.*
- *Enhances business reputation*
- *Helps define and drive the Business Plan.*
- *Prevents others from unfairly benefiting from its innovations*

And to the Nation and World?

- *Contributes new knowledge to the public domain.*
- *Advances the state of technology.*
- *Drives the economy.*

The Components of Intellectual Property

Trademarks

Protect your
Brand



Copyrights

Protect your
Creativity



Patents

Trade Secrets

Protect your
Innovations and
Business Info.



Trademarks

Protecting against lost sales due to counterfeit products or consumer confusion

What is a Trademark?

A Source Identifier

- A trademark is ANY word, phrase, symbol or design, or combination thereof which identifies and distinguishes the source of the goods or services of one party from those of others.
- Anything that can identify products/services!
NBC chimes, Pink Fiberglass, Nike swoosh, golden arches, Harley sound
- Trade Dress: Packaging or appearance of product if a Source identifier. Must not be functional



Trademarks

- Common law trademark rights are acquired simply by using the mark in commerce (use the TM symbol after the mark)
 - Common law rights apply only to region where used
- Federally Registered trademark (use the ® symbol)
 - Based on actual use or intent to use
 - Nationwide rights – reserve for expansion
 - Helps others to avoid innocent duplication of your mark
 - Must be interstate or international trade – federally regulated
 - Illegal to use the ® symbol until federally registered

Trademarks – 5 steps to protection

#1 Choose a Strong Mark

The XEROX logo consists of the word "XEROX" in a bold, white, sans-serif font, centered within a solid red rectangular background.

Fanciful

The SNICKERS logo features the word "SNICKERS" in a bold, blue, italicized sans-serif font, enclosed within a red and white border that resembles a candy bar wrapper.

Arbitrary

The VISA logo displays the word "VISA" in a bold, blue, italicized sans-serif font, with a small orange and yellow swoosh underneath the letters "A" and "S".

Suggestive

The Weight Watchers logo includes a stylized circular icon with green and yellow segments to the left of the words "Weight Watchers" in a blue, sans-serif font.

Descriptive – needs
“secondary” meaning

The Coffee Shop

(Generic)

5 steps to protection (cont.)

#2 Search the Mark – USPTO, states, Google, domain names, international?

#3 Register the Mark – Intent-to-Use or Use-based
Takes about a year

#4 Enforce the Mark – monitoring services, license properly, renewals, stop unauthorized usage

#5 Use it or lose it!

Trademark Registration Process



Copyrights

Protect your works and
don't infringe others'

What is a Copyright?

- Protection for creative and original works. Can include marketing brochures, user manuals, and compilations of information.
- Inexpensive and last a long time
- Copyright protection exists automatically! No filing requirement or notice needed.
- BUT - copyright notice prevents claims of innocent infringement; (eg: © or Copyright 2008 XYZ Inc., all rights reserved)
- Filing application within 3 months of publication or distribution has benefits (eg: statutory damages)

Copyrights – 3 Requirements

#1 Copyrightable subject matter

#2 Fixed in a tangible form

#3 Original Work of Authorship

Copyright Ownership

- 1) author (employer) or independent contractor
- 2) joint or co-ownership - knowledge & intention to make unitary whole, contributions need not be equal, but must be significant in quantity & quality
- 3) work for hire - employee or commissioned work

NOTE: Always use agreements conveying ownership

Danger!

Avoid Copyright Infringement



- Almost anything in a “tangible medium” is copyrighted
- If you make a physical or electronic copy, you are in danger of infringing
- Example – subscribing to receive one copy of a trade journal, and then making copies and distributing the copies to other employees
- Be especially careful when the copies would otherwise be a source of revenue for the author

What is a Trade Secret?

- Information of value to the business, the knowledge of which would be an advantage for competitors.
- Can be customer lists, product development plans, market data, business development plans, technical innovations.

2 Basic Requirements:

- 1) **The information must have commercial value. (\$\$\$)**
- 2) **The company must protect the information as a secret.**

Technology trade secrets should be documented as Invention Disclosures. All patents start as Trade Secrets.

Advantages of a Trade Secret

- Never expires
- Very low cost
- No requirements to prove novelty, originality, non-obviousness, or any other standard.
- Can be bought and sold for value, for example by bundling with other IP for conveyance by license, merger, purchase or sale, etc.

Disadvantages of a Trade Secret

Trade secret protection is lost if the confidential information becomes known, for example through:

- reverse engineering
- subsequent independent discovery
- authorized or unauthorized disclosure

Some inventions cannot be commercialized without disclosure.

Trade Secrets – DO's

- Employment Agreements/Vendor Agreements
- Passwords on computers/files
- Controlled File Cabinet access
- Controlled Office access
- Distribution of secrets only on a 'Need to Know' basis
- Markings 'Confidential'/'Proprietary'
- Employee meetings (educate everyone)
- Encryption and/or controlled distribution of email
- Non-Disclosure Agreements
- Vet technical documents for trade secrets before any Publication/Presentation

What Is a Patent?

- Right to exclude others from:
 - Making
 - Using
 - Selling, Offering to Sell
 - Importing...the claimed invention of the Issued Patent!
- Quid pro quo: disclosure in exchange for patent rights.
- 20 year term from earliest non-provisional filing date.



Trade Secret vs. Patent Protection

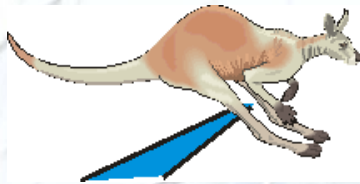


Trade Secret – You own the fence.

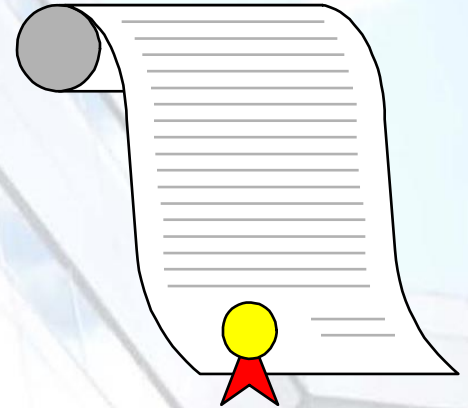
Patent – You own the horse!

What Can Be Patented?

- “Any thing under the sun made by man,” so long as it is new, useful, and non-obvious:
 - Apparatus (machine or device)
 - Process (method)
 - Article of manufacture
 - Composition of matter
 - Improvements
- Needs intuitive step, but **not** giant leap!



PATENT



What **SHOULD** Be Patented?

- Commercially valuable systems, devices, and methods.
- Devices and processes not protectable by trade secrets.
- Inventions that have a 4+ year lifespan.
- Inventions that support the Business Plan.
- Detectable infringement.

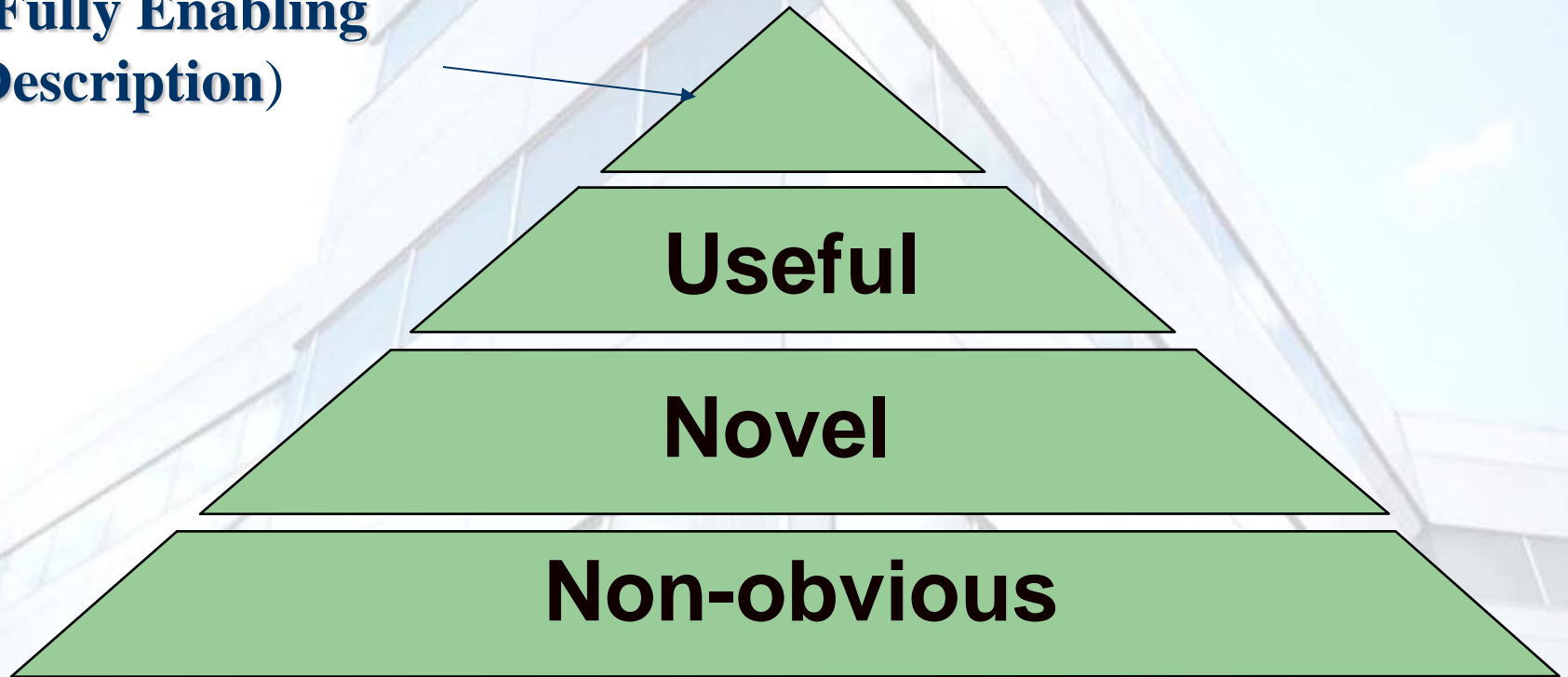
GOAL is not just a patent, but a commercially valuable, valid and enforceable patent.

Important

- A patent protects the **enabling concept** behind the invention
- A patent is a barrier to keep the competition away
 - Should cover alternatives, even inferior ones
- A patent is a property right, an asset that can be used as collateral, bought, sold, licensed, or cross licensed for value.

Requirements for a patent. The invention must be:

**(Fully Enabling
Description)**



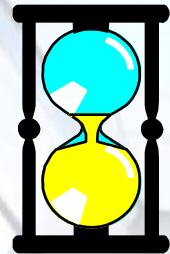
The “America Invents Act”

- U.S. changed on March 16, 2013 from a “first to invent” system to a “first to file” system
- Even more important to file ASAP
- Can file relatively inexpensive “provisional” application and abandon later if needed.

Statutory Bars to Patentability

- Before first filing date:
 - Already known or used by a third party
 - Disclosed in a printed publication anywhere in the world
 - Public use
 - ✓ Beta Testing sometimes excepted
 - On public sale
 - 1 year grace period applies to U.S. after disclosure
 - ✓ But only applies if the inventor is the first to disclose

BEST PRACTICE – File ASAP



Invention Disclosure

What does the patent attorney need?

- A description of the problem being solved
- A description of previously attempted approaches to solving the problem, both by your company and by others
- A clear description of the enabling concept behind the invention
- A clear description of the intended product, and any alternatives
- Illustrations of anything that can be illustrated

Help Your Clients Avoid These Mental Pitfalls:

- If I can figure this out ...
 - It can't be inventive enough to patent
- If I can think of this ...
 - Someone else must already have thought of it.

Not uncommon: first patent, second invention

WHY IP? - WHY NOW?

- IP Assets are today's Business Capital.
- Ownership and Control of IP is vital to Business Success.
- Risk Management requires IP Savvy
- IP Portfolio > Credibility with stakeholders
- IP Savvy > Freedom to Operate – Avoid Infringement
- IP Savvy > Better contracts, better Business Partners
- Income Potential through sales/licensing if IP
- IP Programs motivate creative Employees

IP Success = Business Success

Discussion / Questions

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