Welcome and Introduction

• About this class
  • Goal: to provide an overview of the basic laws and issues surrounding intellectual property at the formation of a startup

• About us
Intellectual Property Strategy

- Types of Intellectual Property
- Methods of Protecting Intellectual Property
  - Trademarks
  - Patents
- Creating a Strategy
- Ownership Issues
- Open Source
- Business Restrictions
- Other Common Pitfalls
What is IP?
What is IP?
How can you protect IP?
Intellectual Property Strategy

- Types of Intellectual Property
- Methods of Protecting Intellectual Property
  - Trademarks
  - Patents
- Creating a Strategy
- Ownership Issues
- Open Source
- Business Restrictions
- Other Common Pitfalls
## How can you protect IP?

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<tr>
<th>Type of IP</th>
<th>What is Protectable</th>
<th>Examples</th>
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<tr>
<td>trade secrets</td>
<td>secrets with economic value</td>
<td>non-public technology</td>
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<tr>
<td></td>
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<td>product roadmap</td>
</tr>
<tr>
<td>contract IP</td>
<td>as defined in the contract</td>
<td>technology</td>
</tr>
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<td></td>
<td></td>
<td>business information</td>
</tr>
<tr>
<td>copyright</td>
<td>creative, authored works</td>
<td>software</td>
</tr>
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<td></td>
<td></td>
<td>content</td>
</tr>
<tr>
<td>patent</td>
<td>inventions</td>
<td>new technology</td>
</tr>
<tr>
<td>trademark</td>
<td>branding</td>
<td>marks and logos</td>
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<td>slogans</td>
</tr>
<tr>
<td>domain names</td>
<td>presence</td>
<td>newco.com</td>
</tr>
</tbody>
</table>
Trade Secret

- Protects info & ideas
- No registration process
- Prevents stealing secrets and using stolen secrets
- Lasts as long as the secret is a secret
Trade Secret
Trade Secret
Contract NDA

- Protects confidential info
- No registration process
- Definitions rule
  - Disclosure
  - Use
  - Duration
Contract NDA

• Beware of certain clauses:
  
  • **Feedback.** During the Term, each party shall provide the other party with Feedback regarding the other party’s products and services. “Feedback” means any requirements, expectations, suggestions, test results, error data, bug reports or other information and materials provided by one party to the other party regarding such other party’s products or services. The party providing such Feedback irrevocably assigns to the other party all of the providing party’s right, title, and interest in and to the Feedback, including all patent rights, copyright rights, trade secret rights, and other intellectual property rights therein.
Contract NDA

• Beware of certain clauses:
  • **Residuals.** Each party has the right to use for any purpose the Residuals resulting from access to or work with the other party’s Confidential Information. The term “Residuals” means information in non-tangible form that is retained in the memories of persons who have had access to the other party’s Confidential Information, including any generalized ideas, concepts, know-how or techniques contained therein. Nothing in this section or otherwise will be deemed to grant to either party a license under any of the other party’s patents or copyrights. Neither party shall have any obligation to limit or restrict the assignment of such persons or to pay royalties for any work resulting from the use of Residuals.
Copyright

- Protects works of authorship
- Registration process
- Lasts practically forever
Trademark

- Protects branding and marks
- Registration process
- Lasts as long as in use*
Trademark

Generic

Descriptive

Suggestive

Arbitrary

Fanciful

Weak

Strong
Trademark
Trademark

Welcome to the Trademark Electronic Search System (TESS). This search engine allows you to search the USPTO's database of registered trademarks and prior pending applications to find marks that may prevent registration due to a likelihood of confusion refusal.

WARNING: Before conducting your search, you must understand the following: (1) what the database includes; (2) how to construct a complete search; and (3) how to interpret the search results. Click TESS TIPS for detailed information on these and other important search topics.

If mark images do not appear when viewing search results, clear the cache in the Internet browser. If you need detailed instructions for clearing the cache, contact tess@uspto.gov.

Thank you.

Select A Search Option

- Basic Word Mark Search (New User)
  This option cannot be used to search design marks.

- Word and/or Design Mark Search (Structured)
  This option is used to search word and/or design marks. NOTE: You must first use the Design Search Code Manual to look up the relevant Design Codes.

- Word and/or Design Mark Search (Free Form)
  This option allows you to construct word and/or design searches using Boolean logic and multiple search fields. NOTE: You must first use the Design Search Code Manual to look up the relevant Design Codes.

Fees and Payment

Pay maintenance fees and learn more about filing fees and other payments

Systems status

Current and planned system outages
Patent

- Protects inventions
- Registration process
- Lasts for 15-20 years
Basics of Patent Protection

Michael Saunders
Saunders Law, PLLC
Outline

• What is a Patent?
• Why get a Patent?
• Who can file for a Patent?
• Types of Patents
• Requirements for Patentability
• How is a Patent granted?
• How long does it take to get a Patent in the United States?
• Patenting Considerations
• Trade Secret vs. Patent
# Overview of Intellectual Property

<table>
<thead>
<tr>
<th></th>
<th>What’s Protected?</th>
<th>Examples</th>
<th>Protection Lasts for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Patent</td>
<td>Inventions</td>
<td>iPod, chemical fertilizer, process of manipulating genetic traits in mice</td>
<td>20 years from the date of filing regular patent application</td>
</tr>
<tr>
<td>Design Patent</td>
<td>Ornamental (non functional) designs</td>
<td>Unique shape of electric guitar, design for a lamp</td>
<td>14 years</td>
</tr>
<tr>
<td>Copyright</td>
<td>Books, photos, music, fine art, graphic images, videos, films, architecture, computer programs</td>
<td>Michael Jackson’s Thriller (music, artwork and video), Windows operating system</td>
<td>The life of the author plus 70 years (or for some works, 95 years from first publication)</td>
</tr>
<tr>
<td>Trade Secret</td>
<td>Formulas, methods, devices or compilations of information which is confidential and gives a business an advantage</td>
<td>Coca-Cola formula, survey methods used by a pollster, new invention for which patent application has not been filed</td>
<td>As long as information remains confidential and functions as a trade secret</td>
</tr>
<tr>
<td>Trademark</td>
<td>Words, symbols, logos, designs, or slogans that identify and distinguish products or services</td>
<td>Coca-Cola name and distinctive logo, Pillsbury doughboy character</td>
<td>As long as business continuously uses trademark in connection with goods or services</td>
</tr>
</tbody>
</table>
What is a Patent?

• A Property Right
  – Right to *exclude others* from making, using, selling, offering for sale or importing the claimed invention
  – Limited term
  – Territorial: protection only in territory that granted patent; NO world-wide patent
Quid Pro Quo

Time-Limited Monopoly

Discloses Invention

Franklin
Basis for Protection of US Patents and Copyright

US Constitution, Article 1, Section 8, Clause 8

“Congress shall have the power ... 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.”
Role of the Patent System

- Protect Inventions
- Encourage Inventions
- Promote commercialization and application of invention
- Accelerate the commercialization of invention to the whole society
Why Get a Patent?

• A patent can be
  – Used to gain entry to a market
  – Used to exclude others from a market
  – Used as a marketing tool to promote unique aspects of a product
  – Sold or licensed, like other property
Who Can File for a Patent?

• Anyone...from anywhere may apply, with only one exception:
  – Officers and employees of the USPTO
    35 U.S.C. §4 - Restrictions on officers and employees as to interest in patents
    Officers and employees of the Patent and Trademark Office shall be incapable, during the period of their appointments and for one year thereafter, of applying for a patent and of acquiring, directly or indirectly, except by inheritance or bequest, any patent or any right or interest in any patent, issued or to be issued by the Office...

• An assignee, a person to whom the inventor is under an obligation to assign, or a person who otherwise shows sufficient proprietary interest
Types of U.S. Patents

- Utility – How an invention works
  - Inventions
  - Functionality
  - 20 year term from filing date

- Design – How it looks
  - Ornamental design described & shown
  - 14 year term from grant date

- Plant – new variety of asexually reproduced plant.
  - 20 year term from filing date
A new variety of Quercus palustris/Pitch Oak tree substantially
as herein shown and described, characterized particularly by
a combination of glossy foliage, narrow growth habits and orange-red fall color.

8 Drawing Sheets
Design Patent

- Protects the way an article looks, including
  - its shape and configuration, as well as
  - surface ornamentation applied to the article
Utility Patents

Types of Inventions

- Process/method/Use
- Machine/apparatus
- Composition of Matter/Product/Manufacture
- Improvement thereof
Requirements for Patentability

- 35 USC §101 – Utility, Statutory Subject Matter
- 35 USC §112 (a) – Enablement, written description, and best mode
- 35 USC §112 (b) – Definiteness
- 35 USC §102 – Anticipation
- 35 USC §103 – Obviousness
It’s all about the claims!

• Protection is limited to what is claimed
• During prosecution, claims are searched, may be rejected, amended, and allowed
• Specification may include numerous embodiments and elements
  — but only subject matter claimed is afforded protection
• Examiner works with the Applicant to focus the claims on novel aspects of the invention
• Broadest reasonable interpretation during examination
  — Search of invention may extend to unrelated areas
Patent Examination

• Patent Examiner reviews contents of the application for compliance with all U.S. legal requirements

• Burden is on the examiner: An applicant is entitled to a patent unless...
  
  – Requirements of U.S. Law are not met
35 U.S.C. 101

- Patent eligible subject matter:
  - Process
  - Machine
  - Manufacture, or
  - Composition of matter

- Judicial exceptions:
  - Abstract ideas
  - Products of nature
  - Natural phenomena
35 U.S.C. 112 (a)

• The specification shall contain
  – a **written description** of the invention, and of
  – the manner and process of making and using it,
  – in such full, clear, concise, and exact terms as to **enable**
    any person skilled in the art
    • to which it pertains, or with which it is most nearly connected,
    • to make and use the same,
  – and shall set forth the **best mode**
    • contemplated by the inventor of carrying out his invention
35 U.S.C. 112 (b)

• The specification shall conclude with
  – one or more **claims**
    • particularly pointing out and
    • **distinctly claiming**
    • the subject matter which the applicant regards as his invention
35 U.S.C. 102

• 35 U.S.C. 102 - an invention must be new
  – An invention lacks novelty (i.e., is “anticipated”) only if
    • each and every element as set forth in the claim is found,
    • either expressly or inherently,
    • in a single prior art reference

  – Reference must teach every aspect of the claimed
    invention either explicitly or impliedly
    • Any feature not directly taught must be inherently present
35 U.S.C. 103

- 35 U.S.C. 103 - an invention must be non-obvious
  - More than a mere obvious modification of the prior art
  
  - Reference teachings must somehow be modified to meet the claims
    - Modification must be one which would have been obvious to one of ordinary skill in the art at the time the invention was made
  
- The teachings of multiple references may be combined under § 103

• Prior Art
  – Any information available for consideration when determining whether an invention is patentable
  – Public information
    • Patents, publications, articles, products, information on the internet, etc.
    • Printed publications – U.S. or foreign
  – Information available/dated before the filing date of application being examined
Examiners search the prior art
Other Types of Prior Art in the U.S.

- Prior sales or public use in the United States
  - If the U.S./foreign patent/publication or public use/sale in the U.S. is more than one year before the effective filing date
    - Applicant is barred from obtaining a patent

- AIA Changes to Prior Art (March 16, 2013)
  - Prior public use or sale anywhere in the world qualifies as prior art
Grace Periods

• Time prior to filing during which public disclosure by an inventor will not be considered prior art

• Differs in different jurisdictions.
  – U.S.: 1 year grace period (35 U.S.C. 102(b))
  – EU: No grace period.
  – JPO: 6-month grace period, under certain circumstances
Public Search Page
Public PAIR

United States Patent and Trademark Office

Patent Application Information Retrieval

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<td>PROSECUTION</td>
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<tr>
<td>E04-002</td>
<td>Fee Payment (PTO-155)</td>
<td>PROSECUTION</td>
<td>1</td>
</tr>
<tr>
<td>E04-003</td>
<td>Fee Work (DMD)</td>
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<td>E04-005</td>
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- E04-005 Expiration of Opposition and Notice of Intent to Use
- E04-006 Index of Claims
- E04-007 Notice Information including Clarification, Examiner, Date, D&F Request, etc.
- E04-010 Notice Information including Clarification, Examiner, D&F Request, etc.
37 CFR 1.77(a): Elements of an Application

1. Utility application transmittal form.
2. Fee transmittal form.
   --Abstract, title, cross-references to related applications, background of invention, summary of invention, brief description of drawings, detailed description, claims, etc.
5. Drawings (if necessary).
6. Executed oath or declaration.
Flowchart of Patent Examination and Appeal System

(I) Patent Examination

Classification determines TC/AU for examination

Application undergoes Pre-Exam

Patent Examination

First Action On the Merits (FAOM)

Applicant(s) Response

Final Rejection

Applicant(s) Response

Advisory Action

Applicant(s) Appeal

Notice of Allowance

Applicant(s) pay issue fee

USPTO grants Patent

(FAOM)

(II) Appeal Process

- Applicant(s) Appeal
  - USPTO PTAB
    - Examiner Reversed
      - Notice of Allowance
    - Examiner Affirmed
      - Court of Appeals for the Federal Circuit (CAFC)
        - U.S. District Court for the Eastern District of Virginia (E.D. Va)
      - Supreme Court
- Applicant(s) Appeal
  - Supreme Court
How long does the process take?

- **Utility Patents**
  - 15.5 months avg. for a first office action
  - 24 months avg. for total pendency
- **Design Patents**
  - 13 months avg. for total pendency
- **Time can vary depending on the technology and amount of prosecution**
  - ~530,000 application backlog
- **~8000 Patent Examiners**
Where to Patent?

• Patent protection can be an important part of overall business strategy in global marketplace

• Patent rights are territorial
  – Protection against infringing activities
    • Only within the country or region in which patent was granted

• NO world-wide patent
  – Must apply for and be granted a patent in each country or region of interest
International Patent Protection

• The Patent Cooperation Treaty (PCT) helps patent offices with their patent granting decisions. By filing one international patent application under the PCT, applicants can simultaneously seek protection in 150 countries.
• **Filing**: you file an international PCT application in one language, and you pay one set of fees.
• **International Search**: an “International Searching Authority” (ISA) identifies the relevant prior art and writes an opinion on your invention’s potential patentability.
• **International Publication**: after 18 months the content of your international application is disclosed to the world.
• **National Phase**: after the end of the PCT procedure, usually after 30 months, you pursue your patents directly before the national (or regional) patent Offices where you want to obtain them.
www.Espacenet.com

- European Patent Office
- Worldwide search
- 80+ countries
- WIPO search for PCT applications
Patenting Considerations

• Conduct cost/benefit analysis
  – Consider the shelf life of a product, e.g., changes in technology, style
  – Consider how the patent will be used, e.g. licensing, to exclude competitors
  – Consider whether the product can be used outside your market

• Determine patentability
  – Searching yourself vs. engaging a professional searcher

• Choose right patent attorney/agent

• Preparation of a thorough and accurate application

• Are there workarounds for the invention?

• Costs – Patents can be expensive.
  – Background work can help to keep attorney fees lower
  – Annuity & Maintenance fees
How much does it cost?

Fees
- **USPTO Utility application**
  - Filing fee
  - Search fee
  - Examination fee
  - Discount for small entities
  - Issue Fee
  - Maintenance Fees
due at 3 ½, 7 ½ & 11 ½ years

- **Attorney fees**
  - Hourly fees
  - Flat Rates

- **Design Patents**
  - No maintenance fees
  - ~2,000-$3,000

Cost varies based on amount of prosecution.
~$5,000-$25,000
Provisional Patent Application

• A low-cost way to establish an early effective filing date (priority date) in a non-provisional patent application with fewer formalities
  – Specification & Drawings
  – No claims required
• 12 month window to file a corresponding utility patent application in order to benefit from the priority date of the provisional application
  • Caution – will lose priority date for any new matter filed in the utility application
• Provisional application is abandoned automatically at 12 months and is not examined
Patent Infringement in the U.S.

Occurs when –

Without authorization of patent owner:
- Making or using the invention
- Offer to sell or sells within the U.S.
- Import the invention into the U.S.
- Actively induce infringement by another
Enforcement Considerations

• Enforceability of patents
  – Effectiveness of enforcement laws and procedures in the country/region of interest
    • Some countries allow recordation of patent with customs

• Enforcement requires patent owner action

• Competitor products should be monitored
  – In stores
  – At trade shows

• Licensing may be beneficial
  – Limit as to time, geographical area, or field of use
Trade Secret Law

• Protects a **commercially valuable proprietary information**
• Valuable business information that gives a **competitive advantage**
• Trade Secrets are not generally known and must be subject to reasonable efforts to preserve confidentiality
• Examples
  – Formulas (e.g. Coca-Cola®)
  – Manufacturing processes
  – Business strategies
  – Business management information
  – Customer lists
  – Design concepts
# Trade Secret vs. Patent

<table>
<thead>
<tr>
<th><strong>Trade Secret</strong></th>
<th><strong>Patent</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indefinite</td>
<td>20 year term</td>
</tr>
<tr>
<td>Not registered or disclosed</td>
<td>Public disclosure</td>
</tr>
<tr>
<td>Can be separately discovered</td>
<td>Right to exclude others</td>
</tr>
<tr>
<td>Remedy only if the secret is illegally appropriated</td>
<td>Remedy for infringement</td>
</tr>
</tbody>
</table>
Common Ways to Lose a Trade Secret

- Owner or owner-authorized disclosure
- Reverse engineering
- Independent development
- Failure to take adequate steps to prevent disclosure
Resources

- [http://www.uspto.gov/inventors/index.jsp](http://www.uspto.gov/inventors/index.jsp) – Inventors Resources on PTO Internet site
- [http://www.ustr.gov/trade-topics/intellectual-property](http://www.ustr.gov/trade-topics/intellectual-property) – Office of US Trade Representative
- [http://www.ipdl.ncipi.go.jp/homepg_e.ipdl](http://www.ipdl.ncipi.go.jp/homepg_e.ipdl) – Japanese patent database
THANK YOU

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