

IP Do's and Don'ts for Startup Companies

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#1: DO Develop an IP Strategy

- Work on developing an overall IP strategy.
- Identify goals of your IP portfolio and develop a global strategy that works toward those goals.
- IP strategy should include a budget and filing schedules and identify technologies to be protected.
- IP strategy should identify the types of IP (e.g., patents, trademarks, copyrights, or trade secrets) that will best protect your assets.
- You can waste time and money without a clear IP strategy.

#2: DON'T Skimp on Your IP Budget

- Protecting IP can be expensive, but it is critical to develop a realistic budget for your IP, which can be the core value in a start-up company.
- Be sure to budget a realistic dollar amount toward protection of all types of IP within your global strategy.

#3: DO Consider All Forms of IP

- In addition to patents, consider trademarks, copyrights, and trade secrets as potentially valuable components of your IP portfolio.
- Trademarks and service marks, and the goodwill that goes with them, can sometimes have greater value than a company's patents.
- Trademark rights are far less expensive to obtain and maintain.
- Trade secrets have become more important for life science companies in light of changing patent laws.

#4: DON'T File Perfunctory Provisionals

- Provisional patent applications can be valuable components of a company's overall IP strategy.
- Avoid the temptation to file cheap “coversheet” provisionals.
- Important to carefully describe your inventions in a way that supports later non-provisional applications.
- Coversheet provisional can do more harm than good.
- Best to involve IP counsel in the preparation of any provisional patent application to ensure that your application covers the full scope of your inventions.

#5: DO Conduct Trademark Searches

- You may be surprised to find that you do not have the right to use your selected corporate, product, or domain names.
- Conduct trademark, service mark, and domain name availability and clearance searches early on, before a change in your company or product names involves significant expense and loss of goodwill.
- It is best to conduct these searches before you select your corporate name or embark on a marketing campaign for your first product.

#6: DON'T Focus Your Patent Applications Solely on Your Specific Technology

- Avoid filing narrow patent applications directed to your initial technology or on a specific commercial product or core process.
- Better practice is to draft your patent applications to cover various alternative embodiments aside from the company's specific product.
- The market may ultimately adopt an alternative solution that the start-up company may have had in mind, but was not detailed in the patent application.
- Brainstorm and try to cover the “big picture.”

#7: DO Involve IP Counsel Early

- Hire an IP attorney prior to launching your product and prior to any public disclosure of your technology.
- If you wait until after public disclosures, sales, or publications have occurred you may have irreparably lost valuable IP rights.
- You may not even know that barring events have occurred.
- Bottom line – protect your IP rights early.

#8: DON'T Hire the Wrong IP Counsel

- Your IP counsel should be more than a simple contractor who sits in an office and writes patent applications.
- Seek an IP counsel who makes the effort to become familiar with your company's industry, technology, and competitors.
- Your IP counsel should be a strategic partner involved with developing and implementing your IP strategy, rather than a mere scribe.

#9: DO Study Competitors' Patents

- You should not assume that you are to market and sell your product just because you own a patent or maintain a trade secret.
- Consider your freedom to operate (FTO) before you design your commercial products, and then monitor this FTO over time.
- Other companies may own patents on one or more features of your product. For instance, even though a company may hold a patent on the screen and display driver used in a cell phone, other companies may hold patents that cover the processor, memory, video adapter.
- Budget both time and money to identify competitor patents that may impact your ability to sell your product.

#10: DON'T Overlook the Details

- Make sure that the company, not the employees or principals, owns the IP.
- All patent applications should be explicitly assigned to the company and all papers should be signed as soon as possible.
- Use non-disclosure agreements when dealing with others.
- Establish trade secret policies for all employees and management.
- Failing to tie down and maintain IP rights can cost your company valuable IP rights and waste much time and money.

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Peter Fasse is a Principal in the Boston office of Fish & Richardson.

With well over 30 years of experience, Peter's practice emphasizes client counseling and patent prosecution in a wide variety of technologies, with an emphasis on healthcare, medical devices, and other biological and medical fields as well as various "green" technologies.

Peter helps clients from start-ups to multinationals to develop competitive worldwide patent strategies and to establish solid and defensible patent portfolios. He performs competitive patent analyses, identifies third-party patent risks, and provides patentability and freedom-to-operate opinions. Peter also has experience in opposing and defending patents before the European Patent Office and in U.S. litigation and post-grant proceedings.

Peter has experience in medical therapeutics, diagnostics, devices, and imaging, microfluidic systems, liquid biopsy, nucleic acid sequence analysis systems and software, cell culturing and bioprocessing, molecular biology, complex biomedical systems, optics, machine tools, and lasers.

Specific applications include, e.g., cancer antibodies, RNAi and CRISPR therapeutics, engineered AAV systems, microfluidic analysis of circulating tumor and fetal cells, cell-free DNA analysis, next generation sequence analysis, dendritic cell- and DNA- based vaccines, nanoparticle and vector-based delivery of therapeutic agents, automated blood analysis systems, nucleic acid probes, tissue engineering, infusion pumps, biochips, laser systems, cellulose processing for ethanol production, implantable drug delivery devices and microcapsules, ultrasound probes, wind and solar power, and diagnostic and therapeutic methods for, e.g., AIDS, cancer, autism, diabetes, psoriasis, and arthritis.

Thank you!

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