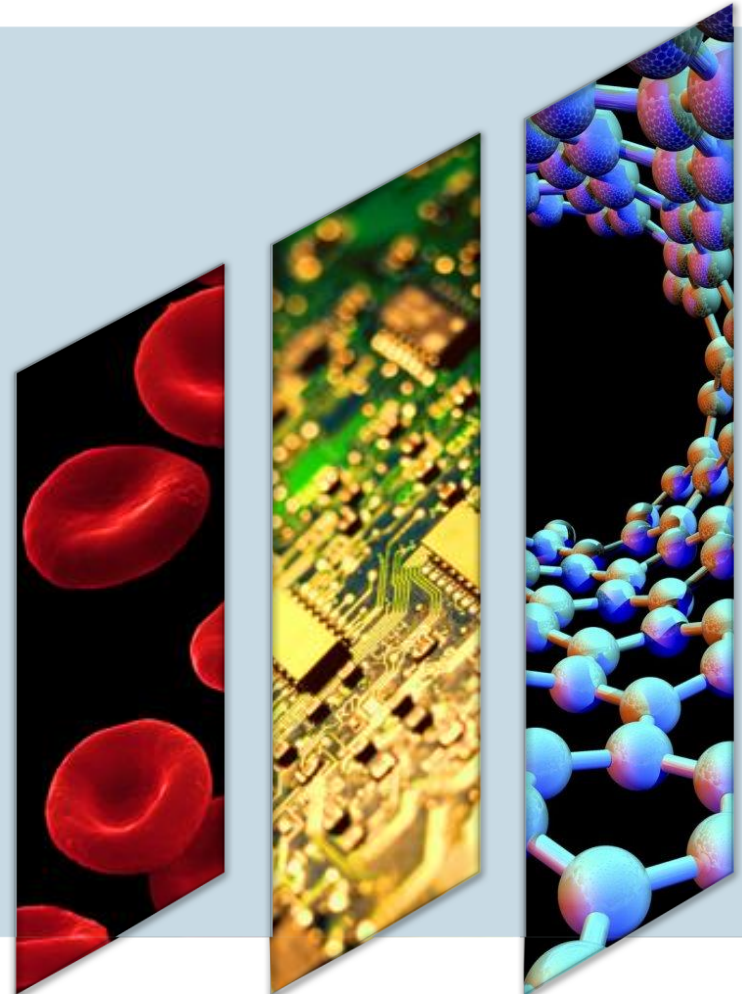


Startups, Patents and Five Common Mistakes

December 4, 2018

presented by:
Mike Attisha



A Patent ...



Gives the owner the right to **exclude others from making, using or selling, offering for sale, or importing his/her invention.**

Utility Patent ➔ **20 years from filing date**

Design Patent ➔ **15 years from issue date**

A Patent... *(cont)*

- Does not give its owner the right to make, use, sell, offer to sell, or import
 - (Common misconception)
- The right to make, use, etc. is the absence of non-licensed patents of others that the manufacture, use, etc. would infringe

Mistake #1

- Thinking that you must get a patent for your “secret sauce”
 - What are the barriers to copying the invention?
 - Trade Secret might be preferable
 - What are your business goals?
 - Consider commercial value of a patent



Ownership

- **In the U.S., patent rights belong to the inventors by default.**
- **Assignment clause in employee/consultant agreement critical.**
- **Execute assignment document for every patent application, provisional and non-provisional.**

Mistake #2

- **Failing to Properly Ensure that Your Company Owns the IP**
 - **If you do nothing, the inventors own all the patent rights**
 - **Particular language used in employment agreement is critical**

Employee/Consultant Agreement

▪ Consult IP attorney on Agreement

One take away:

Do:

I ***hereby assign*** to COMPANY all rights in the United States and throughout the world to inventions, discoveries, improvements, ideas, designs, processes, formulations, products, computer programs, works of authorship, databases, mask works, trade secrets, know-how, information, data, documentation, reports, research, creations and other products arising from or made in the performance my employment.

Don't:

I ***hereby agree to assign*** to COMPANY

Important Considerations for Entrepreneurs:

- Patents are *expensive*
 - Be smart about what you file on and where you file.
 - Make the most of the resources you have



PATENT COSTS WORLDWIDE

Country	Prep.	Filing	Pros.	Issue/Grant	Ann./Maint.	Total
PCT	?	\$3-5K	N/A	N/A	N/A	\$5,000
U.S.		\$1K/\$2K	\$25K	\$1K/\$2K	\$7.5K/13K	\$30K/\$38K
Europe		\$5K	\$35K	\$5-50K*	\$31K	\$70-115K
Japan		\$9,000	\$40K	\$5K	\$25K	\$78K
China		\$6,000	\$20K	\$3K	\$13K	\$39K
Australia		\$4,000	\$10K*	\$2.5K	\$10K	\$26K
India		\$3,500	\$10K	\$1K	Neg.	\$15K
Canada		\$3,500	\$20K	\$2K	\$4,700	\$30K
South Korea		\$5,000	\$30K	\$2K	\$3,500	\$40K
Israel		\$2,500	\$30K	\$2K	\$2,300	\$37K
Total			\$53K	\$215K	\$23-70K	\$96-102K

Mistake #3

- **Writing Your Own Patent Applications**
 - **Saves money in short term but long term value may be significantly compromised**
 - **A high quality patent application takes into account technical issues as well as legal issues**
 - **50% might not be good enough!**
 - **Startups must consider how best to use their resources**

Important Considerations for Entrepreneurs:

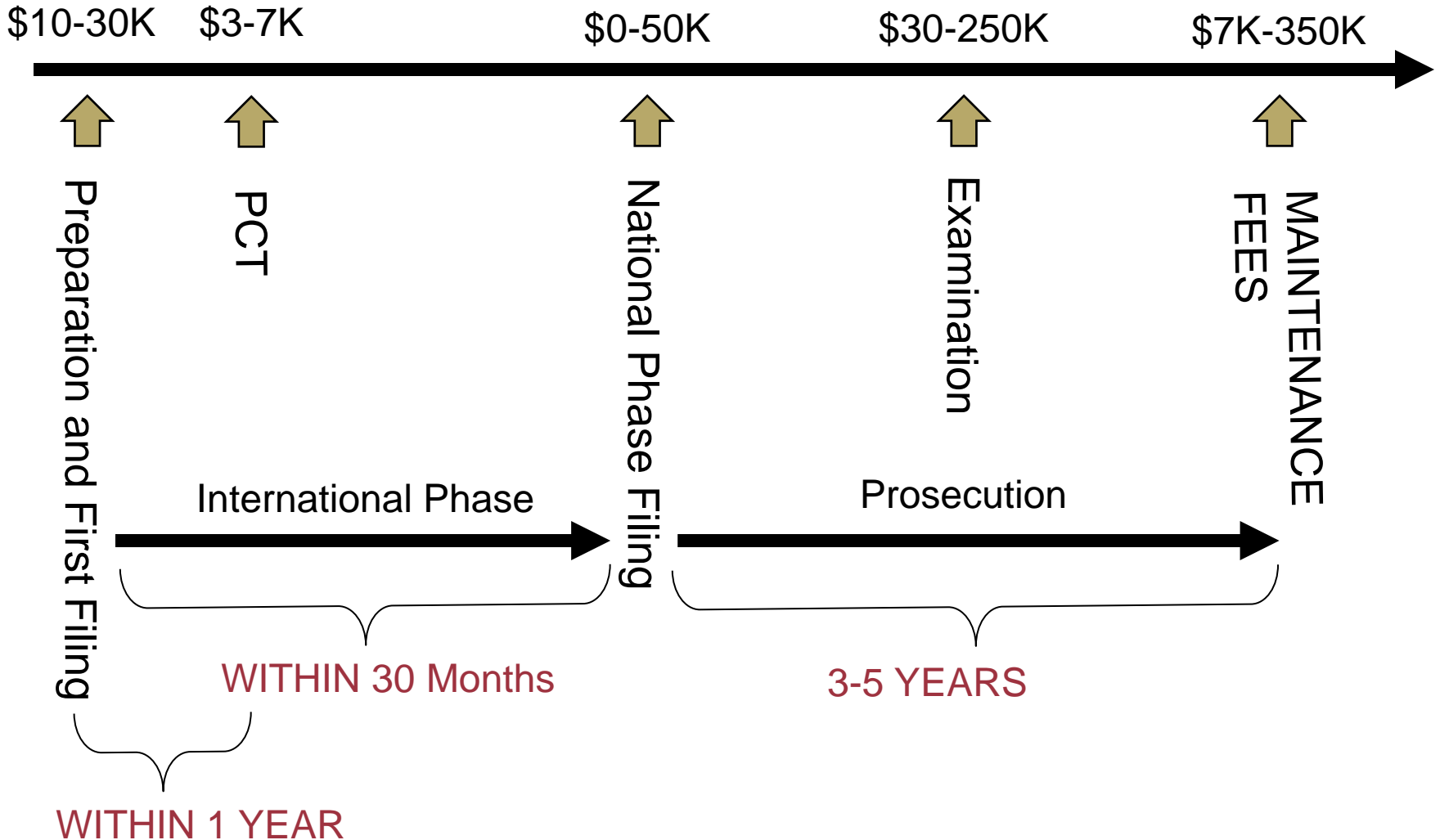
- **Patents are time and activity sensitive**
 - **Keep it private!**
- **Action by Inventors**
 - **Public Disclosure**
 - **Publication**
 - **Public Use**
 - **Public Sale or Public Offer to Sell***



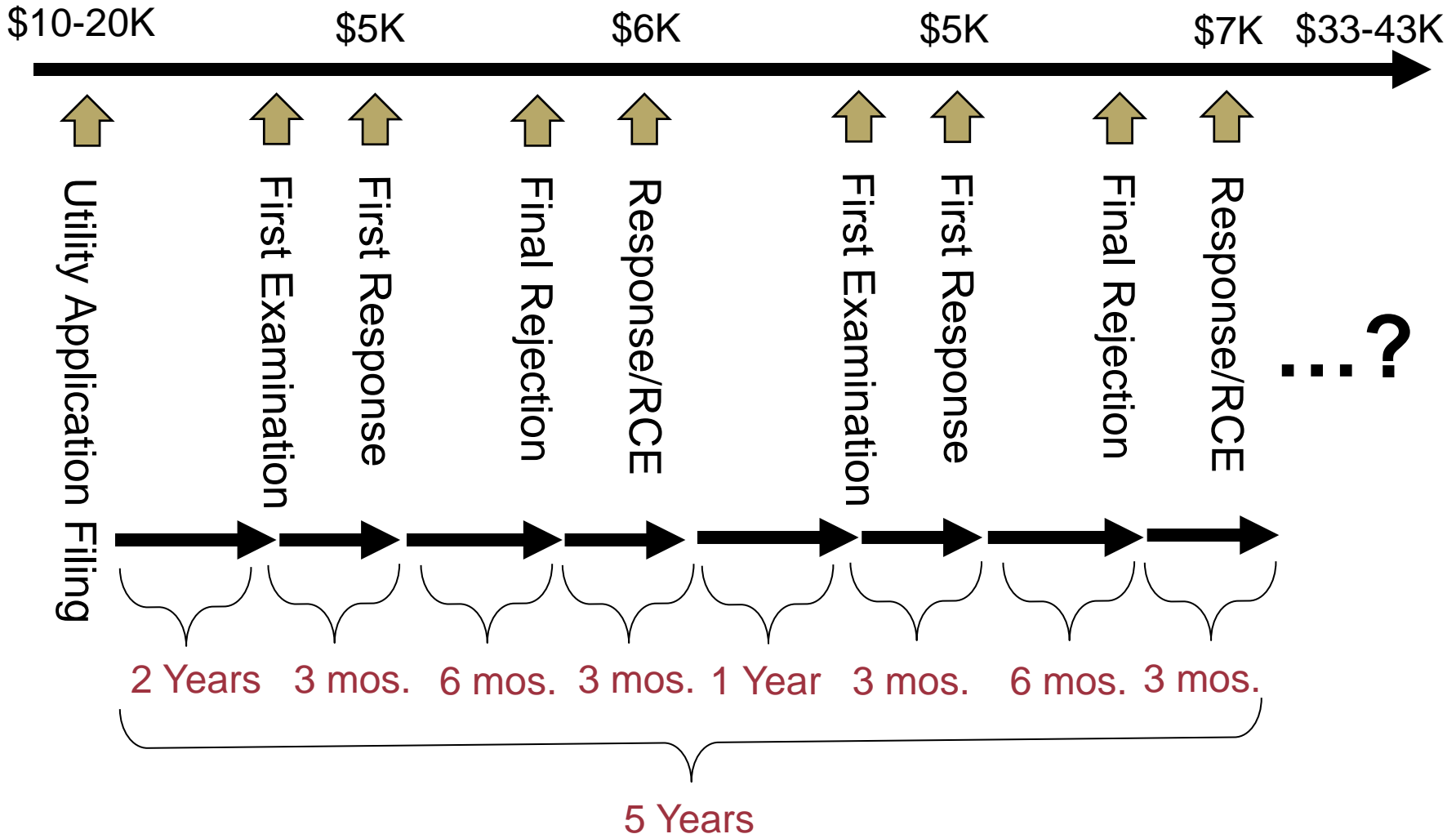
Mistake #4

- **Accidental Disclosure**
 - **Not publishing is the easy case**
 - **Public talks or poster sessions**
 - **News articles**
 - **3rd parties – prototype manufacturer, consultants, etc.**
 - **VC folks often won't sign NDAs – balance risk/reward**

Patent Process - Lifetime



Typical U.S. Patent Prosecution



Provisional Patent Applications

- **File in the US**
- **Have up to one year to file a follow-up utility application and/or a PCT, other foreign applications**
- **If no subsequent filing, provisional never gets seen by anybody**
- **Follow-up applications treated as if filed on the day that the provisional was filed**
- **Relaxed legal requirements – no claims needed**

Mistake #5

- **Equating “Provisional” with “low quality”**
 - **Later-filed application must find support in the provisional**
 - **If not drafted with later claims in mind, might have very limited use or even be *useless***
 - **We routinely prepare utility-quality applications and file as a provisional**
 - **Think about whether a provisional really makes sense**

Patent Landscape – Vigilance and Diligence

- **Be familiar with the Prior Art**
- **Carve out your Protection**
- **Know your Competitors**
- **Understand where others have secured Protection**
- **Evaluate Freedom to Operate**
- **Understand IP Strength, Risks**

Questions/Discussion

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Trademarks

A Trademark Is A . . .

- **Word**
- **Name**
- **Symbol**
- **Design**
- **Slogan**
- **Word/design combination**
- **Distinctive sound**
- **Color**
- **Product shape**
- **Scent**

1. Make sure mark is not registered

2. Make sure mark is not generic

Trademark Selection

