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IP Strategy: How To Make the Most of Patents, Copyrights, Trademarks and Trade Secrets

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Anita M. Bowles

Agenda – Topics

- Overview of Types of Intellectual Property
 - Copyrights
 - Trademarks
 - Trade Secrets
- Patents
 - Benefits
 - Avoiding Pitfalls
 - Patent Eligible Subject Matter and Software
 - First Inventor To File
 - Timeline
 - Strategic motivations and Portfolio Development

Legal Regimes for Protecting IP

- **Trademarks** (and Service marks and Trade dress)
 - Protect your goodwill and identity in the marketplace
- **Copyrights**
 - Protect the tangible expression of your ideas
- **Patents**
 - Disclose to the benefit of society in return for a exclusionary period of substantial duration
- **Trade Secrets**
 - Keep commercially valuable information from your competitors (if you can do so effectively)

Comparing Types of IP Protection

	Trademark	Copyright	Patent	Trade Secret
Protects	<i>Reputation</i>	<i>Expression</i>	<i>Innovation</i>	<i>Secrets</i>
<u>Prevents</u>	Confusion	Copying	Practicing the Invention	Use and disclosure
For how long?	As long as the mark is used	Usually creator's life + 70 years OR shorter of 95 years from 1 st publication and 120 years from creation	20 years (utility) 14 years (design)	As long as it is a secret

Copyright©

- Protects original works of authorship, including literary, dramatic, musical, artistic, software, websites and certain other intellectual works
- Copyright applies automatically once a work is fixed in a “tangible medium of expression”
- Cannot copyright data and a list of ingredients (e.g., a recipe), works containing no original authorship (e.g., standard calendars), names, titles, slogans, short phrases and domain names

Copyright[©] “Bundle of Rights”

- Copyright owners have the exclusive right to:
 - Reproduce the work
 - Create derivative works
 - Distribute the work
 - Publicly perform the work
 - Display the work
- Limitations
 - Exclusive rights are subject to certain exceptions, e.g., fair use
 - Independent creation is not infringement
 - Only protects expression, not the idea of the underlying work

Copyright[©] Why register?

- Registration process takes approximately 8 months for electronically filed applications & approximately 13 months for paper applications
- Registration required for U.S. works to commence court action for infringement
 - Eligibility for statutory damages as well as actual damages
 - Eligibility for attorney fees and costs of suit
- For public record or presumption of ownership

Copyright[©] and Open Source Issues

- Open source licenses are generally concerned with copyright protection, but can impact patent rights
- **“Copyleft” Doctrine**
 - Opposite of Copyright – Grants the right to a Licensee to Distribute Copies of a Work
 - *Requires that Any Modified Works also grant the same rights to Licensees*
- Different Open Source Licenses Treat Copyleft Concept Differently
- Potential Issues Where Different Open Source Licenses are in conflict, in one software project (particularly with respect to Copyleft doctrine)
- Know and track what open source code is in your software, what license it is under, and whether it is linked, incorporated or modified.

What are Trademarks TM [®] & Service Marks

- Word, name, symbol, device or combination that distinguishes source of goods/services to prevent consumer confusion
 - E.g., word mark “APPLE”, design mark 
 - Specific to certain goods and services
- Also
 - Trade Names (e.g., “Proctor & Gamble”)
 - Trade Dress (e.g., distinctive wrapping or packaging)
 - Collective Marks (e.g., CPA)
 - Certification Marks (e.g., Washington Apples, Certified Organic)

Trademark TM [®] Protection

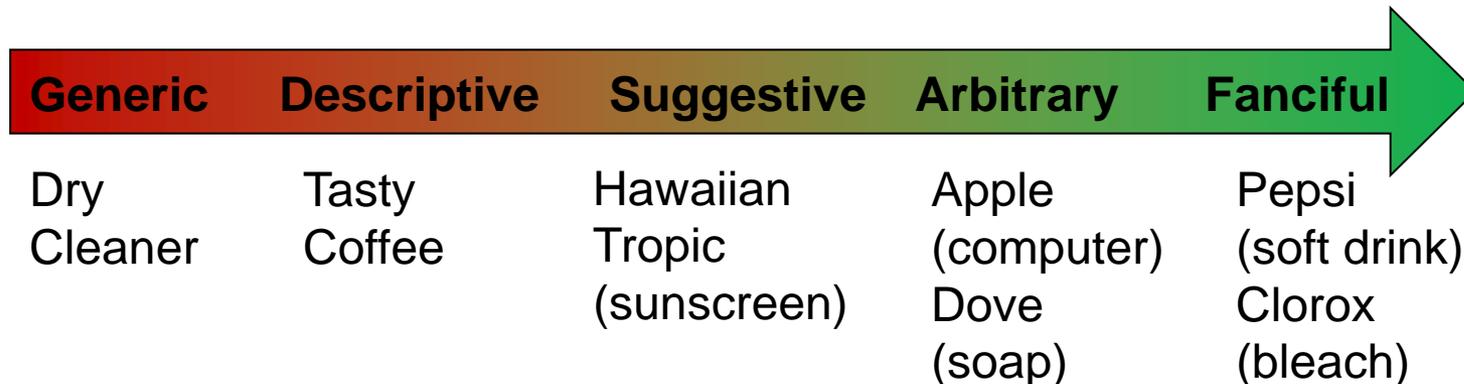
- Governed by federal law, state law, and common law
- Common lawTM
 - Protection and rights for those goods and services in location where first user for those goods and services
- Federal Registration[®]
 - Benefits
 - Legal presumption of nationwide rights
 - Registered mark presumed to be valid
 - Constructive notice
 - Ability to sue in federal court an ability to pursue statutory damages
 - Approximate cost to file and prosecute trademark about \$1,500-\$3,000 for 1-2 classes and no substantive refusals
 - Consider identification of goods and services carefully

Choosing and Using a Trademark TM & [®]

- Before investing money in developing trademark, do a trademark clearance search
 - Consider whether domain name corresponding to mark is available
- Choose a strong mark

Weak / Unlikely to
Get Protection

Strong / Likely to
Get Protection



Trade Secrets

- Confidential information that derives independent economic value; and for which reasonable efforts are made to maintain its secrecy
 - Examples: programs, devices, processes, compilations, customer lists, etc.
- Protected under Federal and State law
 - New Federal Defend Trade Secrets Act (DTSA) enacted May 11, 2016
 - State law generally follows Uniform Trade Secrets Act (UTSA)

Trade Secrets

- Value tied to information being a secret
- Rights and remedies limited once information is no longer secret
- Can sue for misappropriation for improper acquisition, disclosure or use of a trade secret
 - E.g., Anthony Levandowski, self-driving car Google/Waymo executive who brought trade secrets to Uber (\$244 million settlement)
 - reverse engineering, independent derivation, or any other lawful means of acquisition is not misappropriation

Key to Protecting Trade Secret Value

- Implement a comprehensive program of protection to:
 - maintain information as confidential
 - show reasonable efforts to maintain secrecy
- This can include:
 - Employment policies
 - IP policies
 - Visitor policies
 - Outside disclosure policies

Comparing Patent and Trade Secrets

	Patents	Trade Secrets
Establishment of Rights	Examination	Reasonable efforts
Term	20 years*	Perpetual until public
Date when rights are effective	Upon patent grant	Immediately
Exclusionary rights	Yes	No*
Independent development/Reverse engineering allowed	No	Yes
Cause of action	Infringement	Misappropriation

What is a Patent?

- Exclusive Right to **Prevent Others** from Making, Using, Selling, Offering to Sell, or Importing the Patented Invention
 - *Quid pro quo*: Disclosure of invention to public in exchange for limited monopoly
 - Country Specific
 - Time-limited
- Owner's right to practice invention may be dependent on exclusionary rights of others
 - Patent does not grant “freedom to operate”

Unique Benefits of Patents

- Patents provide unique protection, not available with other forms of IP:
 - Patent can be infringed without copying (not so with trade secrets or copyright)
 - Consequence: independent development of a patented concept is not a defense
 - Patents can cover not only your actual business activities, but also alternate ways to conduct them (not so with any other form of IP)

Avoid Potential Pitfall – Inadvertently Losing Patent Rights

- **File patent application before:**
 - Public disclosure of invention (e.g. publishing article, discussion with anyone outside the company not under a nondisclosure agreement, reports to government that become public)
 - Public use of invention (e.g., trade show, posting testing version online)
 - Offer for sale of invention
 - Otherwise making invention available to the public
- ***Or else potential foreign patent rights will be lost***
- **U.S. has a 1 year grace period that provides limited protection**
- **Statutory Bar**

Types of Patents

- **Utility patents (20 year term*)**
 - Cover anything having an actual use – e.g. machines, processes, compositions of matter
- **Design patents (14 year term)**
 - Cover ornamental (non-functional) product designs
- **Plant patents (20 year term*)**
 - For distinct and new varieties of plants that have been invented or discovered and asexually reproduced.

“First Inventor to File” System

- Relevant date is the date of the filing of the priority patent application.
 - Encourages filing early to avoid prior art
 - Increased reliance on provisional patent filings
- Provisional patent application (US)
 - Not examined but can be used to hold initial priority date during continued development
 - Non-provisional filing must follow within a year
 - Is not counted in 20 year patent term

Utility Patent

- Protects new and useful inventions.
- Term – typically 20 years from earliest effective filing date*
- Statutory Subject Matter 35 U.S.C. §101
 - **Patent-eligible subject matter**: process/method, machine, manufacture, or composition of matter (or improvement thereof)
 - **Nonpatent-eligible subject matter**: laws of nature, abstract ideas (e.g., some business methods, algorithms themselves, purely mental steps), natural phenomena*

Utility Patent - Requirements

- Patent-eligible subject matter
- Novelty – Not previously patented, described in a printed publication, or in public use, on sale, or otherwise available to the public (*i.e.*, in the **prior art**)
- Non-obvious – The differences between the invention and the prior art must not be obvious to a person of ordinary skill in the art
- Written Description in application – *quid pro quo*
 - Enablement
 - Possession
 - Best Mode

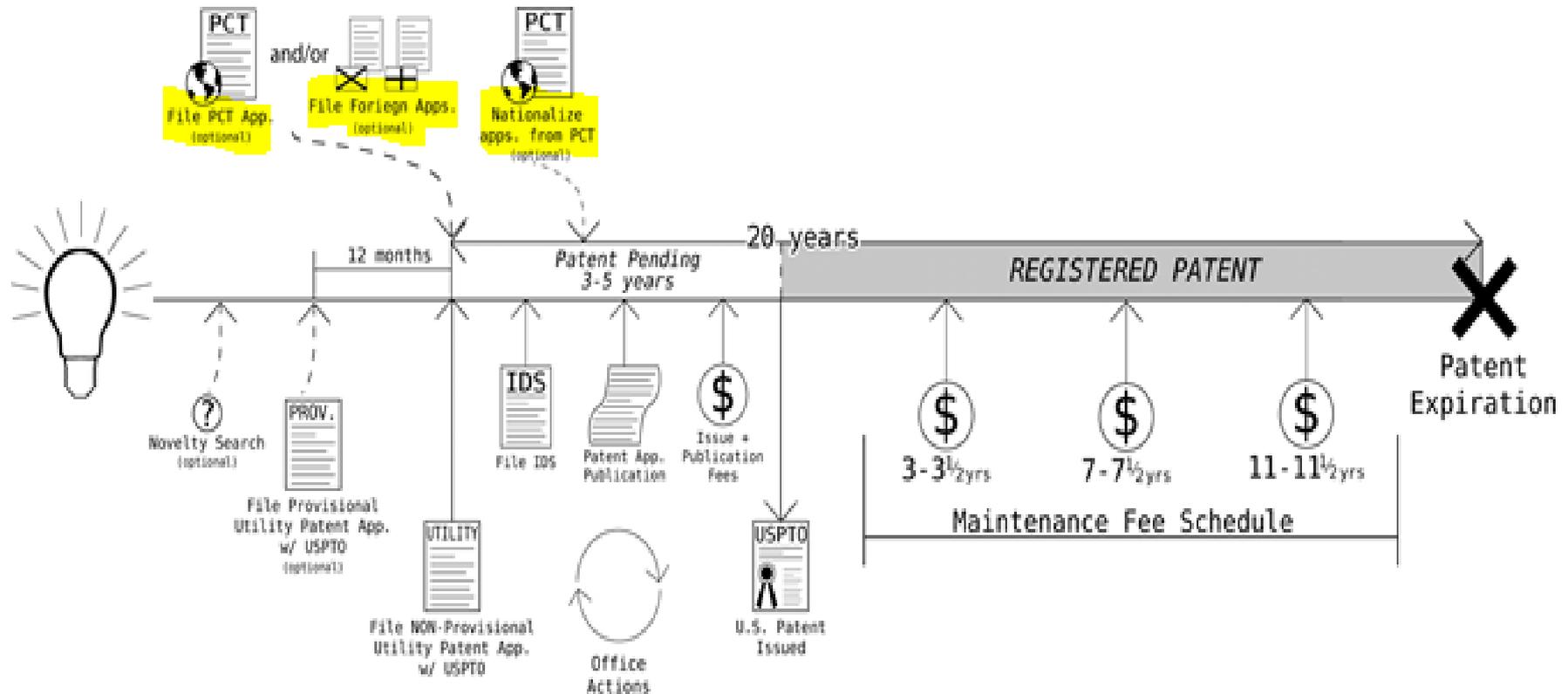
Utility Patent - Software

- Cannot patent software *per se*.
- Potential for patent coverage of software in the form of methods, devices, systems or computer readable media;
however, must be patent-eligible subject matter.
- Patent eligible subject matter for computer-implemented inventions currently evolving
 - Software patents harder to obtain in US and other jurisdictions in last decade, but still being granted

Patents - Timeline

- ◆ Provisional filing (*can skip this and go straight to nonprovisional*)
 - Priority date
- ◆ Nonprovisional filing (US and/or International (PCT) or direct foreign)
 - within 1 year of priority date
- ◆ Publication (can request non-publication if no foreign applications)
 - within 18 months of priority date
- ◆ Enter National/Regional Phase with International Application
 - Within 30 or 31 months of priority date

Patents - Timeline



Prosecuting US Patent Application

- File a nonprovisional patent application with the U.S. Patent and Trademark Office (USPTO).
- USPTO assigns application to patent Examiner who begins examination for compliance with patentability requirements (generally within months to years).
- If the application complies with the US patent law, the Examiner will allow the application, and a patent will issue (in theory)
 - often the Examiner rejects all claims as not being new or being obvious in view of the prior references.
- In response to the rejection, an applicant can submit arguments and/or modify the claims in order to place them in compliance with the US patent law.
- The process of examination can continue until the application is allowed or until the applicant abandons the application.
- If no agreement can be reached with the Examiner, the Examiner's decision may be appealed to the Board of Appeals and Interferences.

Patents

- ❑ Patents can be important assets that add value
- ❑ Prevent or deter competitors from using your inventions (*but remember, you have to **enforce** your rights*)
- ❑ Showcase your technology as a magnet for potential investment
- ❑ Provide leverage for co-licensing deals when partnering or cross-licensing when needed
- ❑ Provide a licensing revenue
- ❑ Consider your goals before patenting

Protecting your IP

- **You need a strategy**
 - **Register your trademarks**
 - Corporate name, brand names, logos, slogans, etc.
 - **Identify your core technology and file patent applications on it**
 - Consider leveraging omnibus provisional applications
 - **Establish protocols and procedures for trade secrets**
 - **Where to file trademarks and patent applications?**
 - Where you are selling, using, and manufacturing
 - Where your competitors are selling, using, and manufacturing
 - Where your potential acquirers are located or active
- **Employment Agreements**
 - Assignments of IP rights
 - Trade secret provisions

Patents - Strategy

- Tailor patent strategy based on:
 - Goals
 - Development cycle
 - Current and future funding
 - Relevant markets/jurisdictions
 - Customers
 - Competitors
 - Producers
 - Potential Acquirers
 - Complementary IP protection

Thank You!



Anita M. Bowles
Special Counsel
McCarter & English, LLP
abowles@mccarter.com
617.449.6528