



ENET
The Boston Entrepreneur's Network

Design, Plant, And Utility Patents: Protecting Your Startup's Intellectual Property

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About McCarter & English

- 175 yr. old full service law firm with startup to Fortune 50 clients (corporate, IP, litigation, real estate, tax, etc.)
- 400+ lawyers in 10 offices in N. America, with a global practice

McCarter & English VC / EC Group

- Highly Ranked VC and Emerging Companies Practice
 - Focuses on Formation, Financing, Growth & Exit of Startups
 - In Pitchbook, top 3-8 firms regionally, and top 6-10 firms nationally and globally in angel/VC deals per quarter/year
 - Represents 1,500+ startups & VC funds (e.g. Quake, Medstartr, ffVC, Differential and LvlUp)
 - Last year closed 242+ financing and M&A deals for >\$6 billion

Why IP?

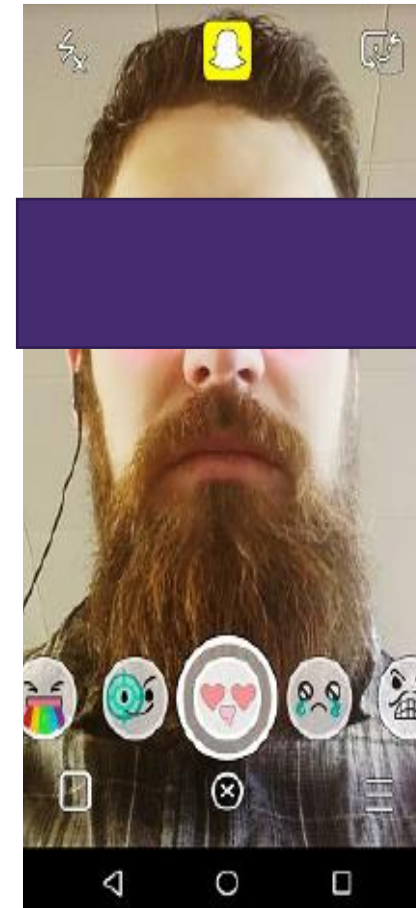
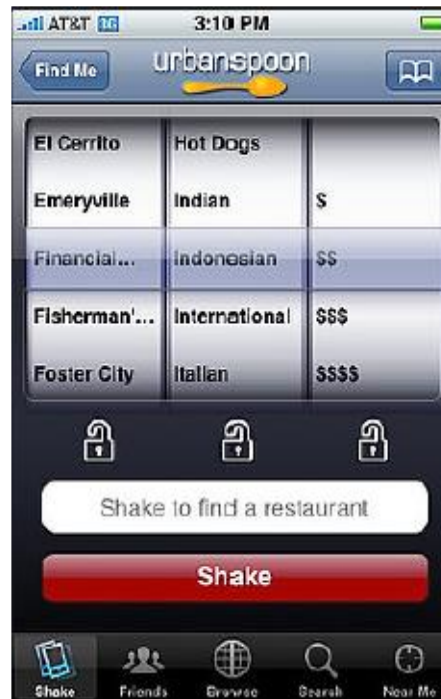
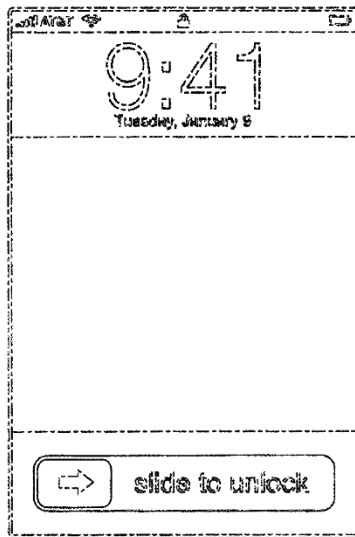
- 50 years ago: Factory, Equipment and Inventory
- Today: Designs, Processes, Inventions, Algorithms and Brands
- Intellectual Property protects both tangible and intangible assets
 - Patents, Copyrights, Trademarks & Trade Secrets

Overview of Intellectual Property

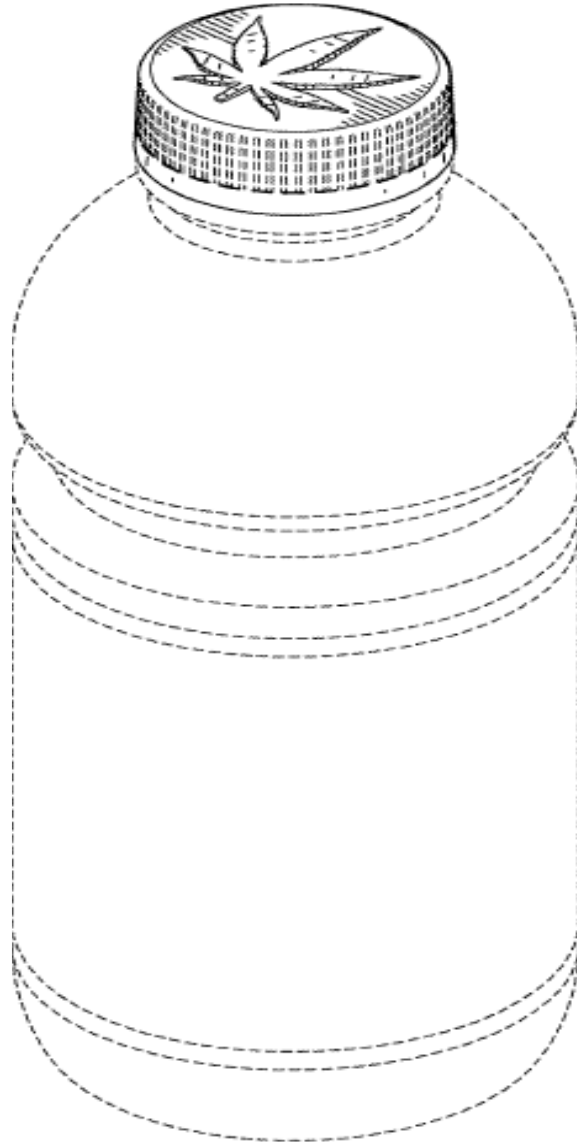
	What's Protected?	Examples	Protection Lasts for:
Utility Patent	Inventions	iPod, chemical fertilizer, process of manipulating genetic traits in mice	20 years from the date of filing regular patent application
Design Patent	Ornamental (nonfunctional) designs	Unique shape of electric guitar, design for a lamp	15 years
Copyright	Artistic expression found in books, photos, music, fine art, graphic images, videos, films, architecture, computer programs	Music, artwork, video, Windows operating system, Zoom.	The life of the author plus 70 years (or some works, 95 years from pub., and others 120 years from creation)
Trade Secret	Formulas, methods, devices or compilations of information which is confidential and gives a business an advantage	Coca-Cola formula, survey methods used by a pollster, new invention for which patent application has not been filed	As long as information remains confidential and functions as a trade secret
Trademark	Words, symbols, logos, designs, or slogans that identify and distinguish products or services, a source identifier, but does not protect the product	Coca-Cola name and distinctive logo, Pillsbury doughboy character, Apple, Amazon	As long as business continuously uses trademark in connection with goods or services

Design Patents

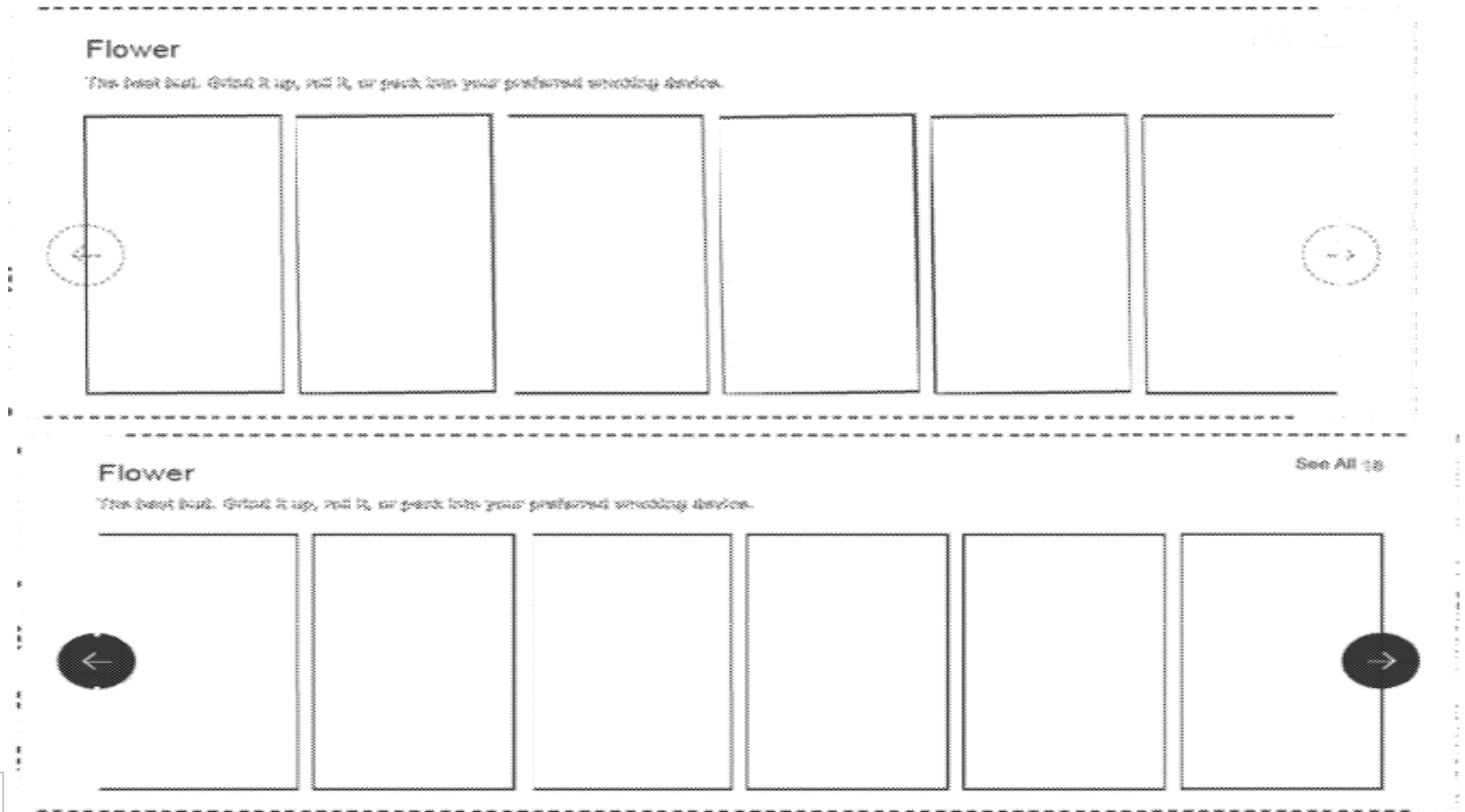
- Design Patents
 - Term of Protection: 15 years from the issue date
 - Protection:
 - Ornamental appearance of a product
 - Graphical user interfaces (GUIs)



Design Patents



Design Patents



Design Patent Infringement

Apple Inc. v. Samsung Electronics
N.D. California 2012



D604,305



Galaxy S

- Patent valid and infringed; Affirmed by the Federal Circuit
- 35 U.S. Code § 289: Additional remedy for infringement of design patent
- Apple was awarded **\$533.3 million for Samsung's design patent** infringement and \$5.3 million for utility patent infringement.

Design Patents vs. Utility Patents

- Utility Patents protect the way an article “works” (for 20 years from filing)
- Design Patents protect the way an article “looks” (for 15 years from issue)
- Both have to be novel (35 U.S.C. §102) and not obvious (35 U.S.C. §103)
- Utility patents cannot protect inventions which are not useful (35 U.S.C. Section §101)
- Design patents cannot protect designs which are not ornamental i.e., are primarily functional (35 U.S.C. Section §171)
 - Utility patents require periodic payment of maintenance fees
 - Design patents do not require any periodic payment of maintenance fees

What are the first steps you should take towards protecting your IP?

- All Advisors, Consultants, Interns and Employees should sign a service or employment agreement when joining
 - Requires non-disclosure and non-use of confidential info
 - Requires assignment of all IP created 'on-the-job'
 - Prohibits solicitation of customers/suppliers etc. & disparagement after leaving the company
- Investors will want *all current and former personnel* to have signed one

Public disclosure?

- What is it
 - Displaying your invention at a trade show
 - Posting your invention on the Internet
 - Offering to sell your invention
 - Crowdfunding Campaigns
 - Describe your invention in a newspaper or journal article
 - Publicly demonstrating your invention

When should you patent?

- Prior to public disclosure
- Risk of public disclosure
 - Loss of patent rights
 - Loss of competitive advantage
 - Loss of company asset
 - Loss of enforcement

Most common IP mistakes?

- Failing to recognize the company has IP
- Failing to conduct IP due diligence on company name or brand
- Hiring an employee from a competitor
- Thinking that you do not need a patent or patent application for fundraising
- Not budgeting for IP
- Waiting too long to seek protection
- Failing to secure ownership of website
- Failing to secure ownership of logo or brand design
- Failing to consult with an IP attorney

McCarter & English Formation Package

- \$3,000 flat fee, only \$1,500 up front
- Covers:
 - Certificate of incorporation
 - Bylaws
 - Organizational meeting
 - Restricted stock purchase agreements for founders
 - NDA forms
 - Form employee offer letter and confidentiality, invention assignment and non-compete agreement
 - Form consulting agreement and advisor agreement
 - Form option plan and option agreement

Thank You!



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