

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PRESENTED BY
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INTELLECTUAL PROPERTY KNOW HOW AND WHY

IP IN GENERAL

- PATENTS
 - TRADE SECRETS
- TRADEMARKS, SERVICE MARKS & UNFAIR COMPETITION
- COPYRIGHTS
- RIGHTS OF PUBLICITY
- LIBEL, SLANDER & TRADE DISPARAGEMENT
- LICENSING

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TYPES OF PATENTS

- UTILITY PATENTS
 - PROVISIONAL
 - NONPROVISIONAL

- DESIGN PATENTS

- PLANT PATENTS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PURPOSE OF A PATENT

- A PATENT IS A BUSINESS TOOL USED TO EXCLUDE OTHERS FROM PRACTICING AN INVENTION FOR ANY ONE OF A NUMBER OF REASONS:
 - DEFENSIVE — FREEDOM OF ACTION
 - OFFENSIVE — ASSERT TO THWART COMPETITION
 - LICENSING — LEASE TO OR FROM OTHERS
 - IMPRESS INVESTORS — ATTRACT MONEY
 - INCREASE VALUATION — PATENTS AS ASSETS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT REQUIREMENTS

- NEW
- USEFUL
- NON-OBVIOUS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

STATUTES OF LIMITATION

- U.S. PATENT LAW
 - 1 YEAR FROM:
 - OFFER TO SELL
 - PUBLIC USE
 - DESCRIPTION IN PRINTED PUBLICATION

- FOREIGN PATENT LAW
 - NO GRACE PERIOD!
 - ABSOLUTE NOVELTY
 - GENERALLY AVAILABLE TO THE PUBLIC

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT PRIORITY

- UNITED STATES
 - FIRST TO CONCEIVE
- FOREIGN COUNTRIES
 - FIRST TO FILE

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DOCUMENTING OF THE INVENTION

- **CONCEPTION**

- **DILIGENT REDUCTION TO PRACTICE**
 - **ACTUAL**
 - **CONSTRUCTIVE**

- **INVENTION DISCLOSURE**
 - **FULL AND COMPLETE ENABLING DISCLOSURE**
 - **BEST MODE**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT APPLICATION

- **REGULAR UTILITY PATENT APPLICATION**
 - **PROVISIONAL PATENT APPLICATION**
- **PATENT PENDING ONCE FILED**
- **PATENT PROSECUTION**
 - **REJECTIONS**
 - **AMENDMENTS TO CLAIMS**
- **ISSUANCE**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT TERM

- 20 YEARS FROM FILING (patents filed after 6/8/1995)
- 17 YEARS FROM ISSUANCE (patents filed before 6/8/1995)
- LAPSED PATENTS (failure to pay maintenance fees)

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENTABILITY OPINIONS

- **CLIENT INVESTIGATION**
- **PATENTABILITY SEARCHES**
 - **COMPUTER SEARCHES**
 - **PATENT OFFICE SEARCHES**
 - **PATENTABILITY OPINIONS**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PROSECUTION HISTORY

- **CLAIMS OF AN ISSUED PATENT NEED TO BE INTERPRETED BASED ON A DETAILED REVIEW OF THE PROSECUTION HISTORY OF THE PATENT**
- **THE PROSECUTION HISTORY CONTAINS ALL CORRESPONDENCE, PAPERS, ETC. FILED IN THE UNITED STATES PATENT AND TRADEMARK OFFICE IN ORDER TO OBTAIN AN ALLOWANCE OF THE FILED PATENT**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

VALIDITY

- CONVENTIONAL WISDOM IS THAT 1/3 OF ALL PATENTS ARE INVALID
- INVALIDITY OCCURS BECAUSE:
 - OF A FAILURE TO SATISFY THE LEGAL REQUIREMENTS
 - THE EXAMINATION PROCESS IS NOT RIGOROUS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

VALIDITY & INFRINGEMENT OPINIONS

- LITIGATION
 - OFFENSIVE
 - DEFENSIVE

- CLIENT INVESTIGATION

- VALIDITY SEARCHES
 - COMPUTER SEARCHES
 - PATENT OFFICE SEARCHES
 - PRIVATE COMPANY SEARCHES

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT OWNERSHIP

- **INVENTOR**
- **EMPLOYER**
 - **HIRED TO INVENT**
- **INDEPENDENT CONTRACTORS**
 - **REQUIRE AGREEMENT TO ASSIGN TO THE COMPANY**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT EXAMPLES

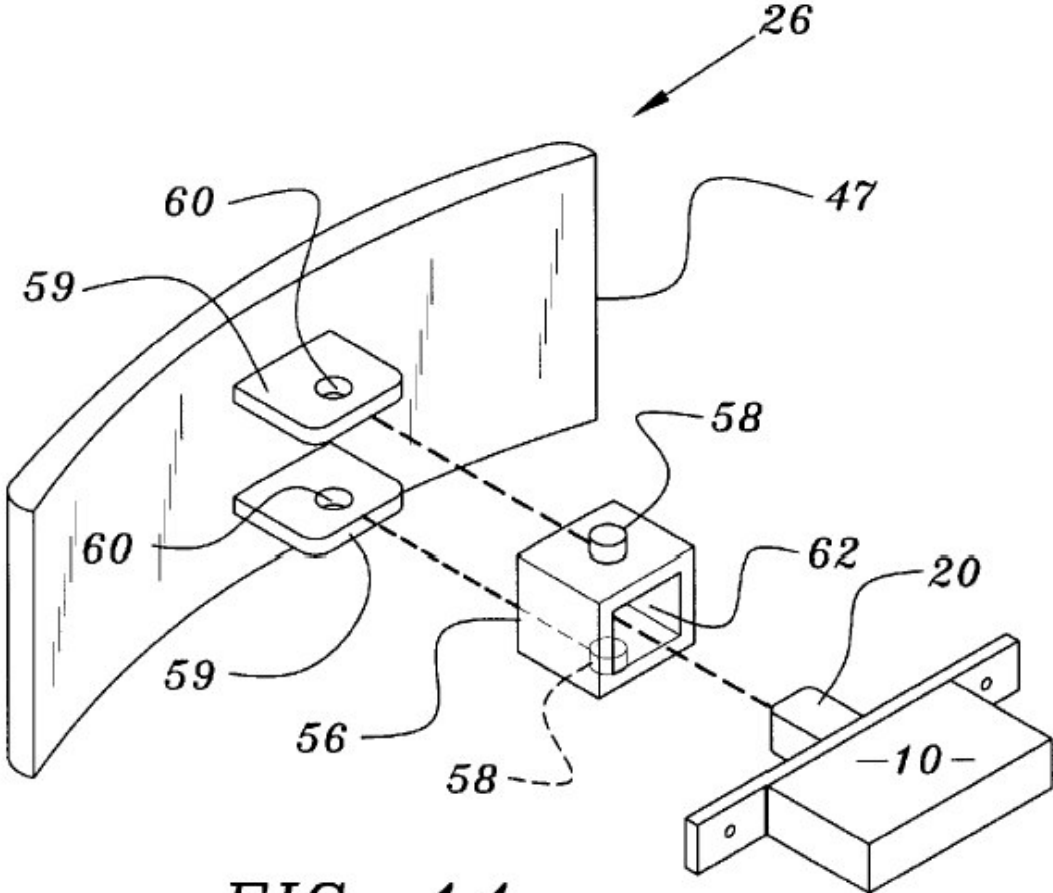
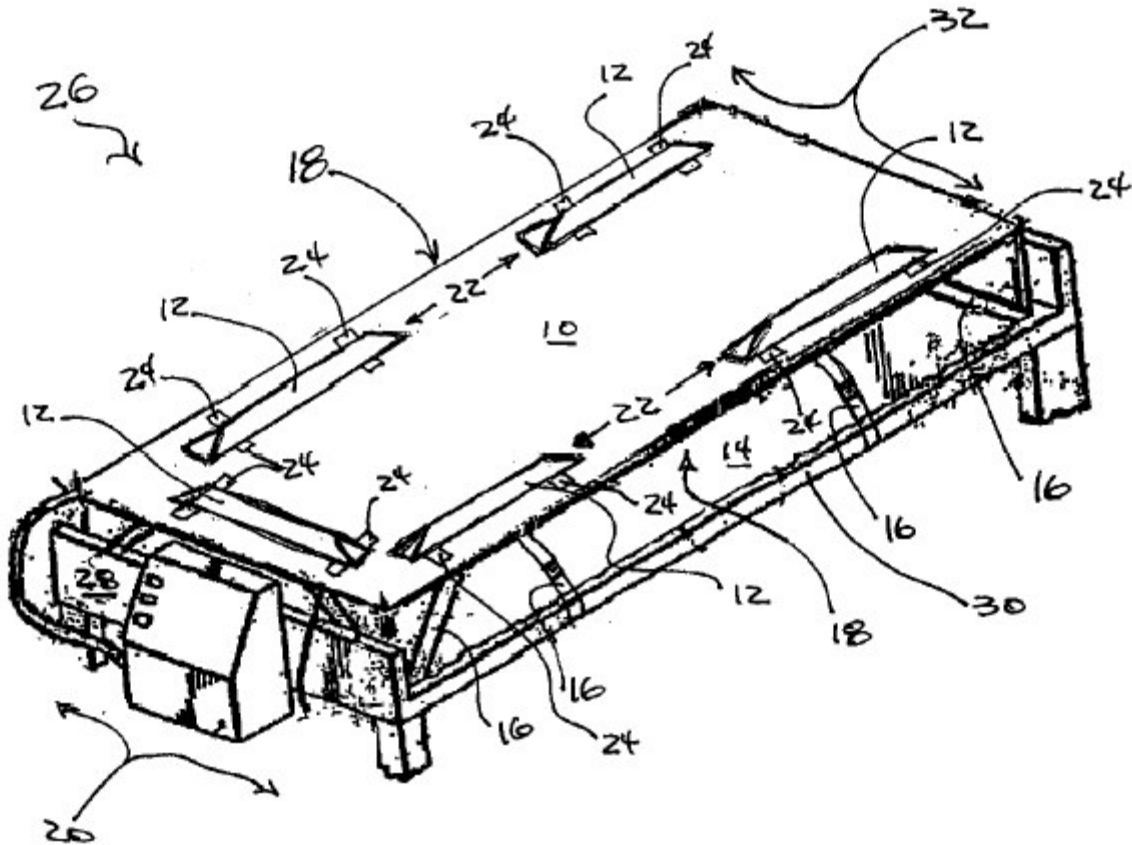


FIG. 14

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT EXAMPLES



INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADE SECRETS

- **COMMON LAW**
- **UNIFORM TRADE SECRETS ACT**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

WHAT IS A TRADE SECRET?

- **DRAWINGS**
- **FORMULAS**
- **COMPUTER FILES AND PROGRAMS**
- **INSTRUCTIONAL MATERIALS**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADE SECRET ELEMENTS

- **DERIVES INDEPENDENT ECONOMIC VALUE**
 - **NOT READILY ASCERTAINABLE**
- **REASONABLE EFFORTS TO PRESERVE SECRECY**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADE SECRET MISAPPROPRIATION

- **IMPROPER MEANS TO ACQUIRE KNOWLEDGE**
- **HAD REASON TO KNOW THAT IT WAS DERIVED IMPROPERLY**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADE SECRET REMEDIES

- **PRELIMINARY INJUNCTION**
- **DAMAGES**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

FIRST INVENTOR DEFENSE

- **TRADE SECRET DEFENSE TO PATENT INFRINGEMENT**
- **BUSINESS METHOD PATENTS**
- **PRIOR TO PATENT FILING DATE**
 - **REDUCED TO PRACTICE FOR 1 YEAR**
 - **COMMERCIALY USED EVEN SECRETLY**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADEMARKS & SERVICE MARKS

- **TRADEMARKS**
- **SERVICE MARKS**
- **JOINT TM AND SM**
- **CERTIFICATION MARKS**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADEMARK SELECTION

- ARBITRARY OR COINED
- SUGGESTIVE
- DESCRIPTIVE
- GENERIC

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADEMARK PRIORITY

- UNITED STATES
 - FIRST TO USE THE TRADEMARK
- FOREIGN COUNTRIES
 - FIRST TO REGISTER

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADEMARK CLEARANCE

- **CLIENT INVESTIGATION**
- **U.S. FULL SEARCH**
- **FOREIGN SEARCHES**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADEMARK REGISTRATION

- ACTUAL USE
- INTENT TO USE
- PUBLICATION
- ISSUANCE
- RENEWAL

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADE DRESS

TRADE DRESS REFERS TO CHARACTERISTICS OF THE VISUAL APPEARANCE OF A PRODUCT OR ITS PACKAGING (OR EVEN THE FACADE OF A BUILDING SUCH AS A RESTAURANT) THAT MAY BE REGISTERED AND PROTECTED FROM BEING USED BY COMPETITORS IN THE MANNER OF A TRADEMARK. THESE CHARACTERISTICS CAN INCLUDE THE THREE-DIMENSIONAL SHAPE, GRAPHIC DESIGN, COLOR, OR EVEN SMELL OF A PRODUCT AND/OR ITS PACKAGING.

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADE DRESS PROTECTION

- **THE FEATURES MUST BE CAPABLE OF FUNCTIONING AS A SOURCE INDICATOR; AND**
- **THE FEATURES MUST BE NONFUNCTIONAL. FOR EXAMPLE, COLOR IS FUNCTIONAL IN REGARD TO CLOTHING BECAUSE THAT PRODUCT IS PURCHASED SUBSTANTIALLY BECAUSE OF ITS COLOR AND APPEARANCE, BUT COLOR IS NOT FUNCTIONAL ON HOUSEHOLD INSULATION, WHICH IS PURCHASED PURELY TO BE INSTALLED IN A WALL AND IS NEVER SEEN.**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADEMARK INFRINGEMENT

- CONFUSING SIMILARITY
 - SOUND
 - MEANING
 - APPEARANCE
- RELATED GOODS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

UNFAIR COMPETITION

- **FALSE DESIGNATION OF ORIGIN**
- **FALSE OR MISLEADING REPRESENTATIONS**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

COPYRIGHTS

- MULTINATIONAL TREATIES
 - UCC
 - BERNE

INTELLECTUAL PROPERTY KNOW HOW AND WHY

COPYRIGHTABILITY

- **LITERARY WORKS**
- **MUSICAL WORKS**
- **PICTORIAL WORKS**
- **AUDIOVISUAL WORKS**
- **COMPUTER PROGRAMS**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

CREATION OF PROTECTION

- **AUTOMATIC**
- **TANGIBLE MEDIUM OF EXPRESSION**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

COPYRIGHT OWNERSHIP

- **WORKS MADE FOR HIRE**
- **INDEPENDENT CONTRACTORS**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DURATION OF COPYRIGHT

- **LIFE PLUS 70 YEARS**
- **95 YEARS FROM PUBLICATION OR 120 YEARS FROM CREATION, WHICHEVER IS SHORTER**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

COPYRIGHT NOTICE

- COPYRIGHT and/or ©
- YEAR OF FIRST PUBLICATION
- NAME

INTELLECTUAL PROPERTY KNOW HOW AND WHY

COPYRIGHT REGISTRATION

- ALTHOUGH SINCE 1978 COPYRIGHT VESTS AT THE MOMENT OF FIXATION IN A TANGIBLE MEDIUM, REGISTRATION OF YOUR COPYRIGHT WITH THE US COPYRIGHT GOVERNMENT OFFICE IS IMPORTANT FOR SEVERAL REASONS:
 - COPYRIGHT REGISTRATION ESTABLISHES A PUBLIC RECORD OF THE COPYRIGHT CLAIM.
 - COPYRIGHT REGISTRATION IS A PREREQUISITE TO FILING AN INFRINGEMENT SUIT IN THE U.S.
 - COPYRIGHT REGISTRATION IS A PREREQUISITE FOR STATUTORY DAMAGES (WHICH CAN BE AS HIGH AS \$150,000) AND ATTORNEY'S FEES.

INTELLECTUAL PROPERTY KNOW HOW AND WHY

COPYRIGHT INFRINGEMENT

- **REPRODUCTION**
- **DERIVATIVE WORK**
- **DISTRIBUTION**
- **PERFORMANCE**
- **DISPLAY**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

FAIR USE

- PURPOSE AND CHARACTER
- NATURE OF WORK
- AMOUNT & SUBSTANTIALITY
- EFFECT

INTELLECTUAL PROPERTY KNOW HOW AND WHY

RIGHT OF PUBLICITY

- NAME
- LIKENESS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

TRADE DISPARAGEMENT

- **INJURIOUS OR PREJUDICE TO PRODUCTS OR SERVICES**
- **COMPARATIVE ADVERTISING OK**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

INTELLECTUAL PROPERTY LICENSING

- R & D
- JOINT VENTURE
- MANUFACTURING & SUPPLY
- DISTRIBUTORSHIP
- SALES REPRESENTATIVE
- IP LICENSE
- CONFIDENTIAL DISCLOSURE

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- A PATENT PROTECTS:
 - ANY NEW AND USEFUL PROCESS, MACHINE, ARTICLE OF MANUFACTURE OR COMPOSITION OF MATTER (UTILITY PATENT)
 - ANY NEW, ORIGINAL AND ORNAMENTAL DESIGN FOR AN ARTICLE OF MANUFACTURE (DESIGN PATENT)
 - ANY DISTINCT AND NEW VARIETY OF PLANT (PLANT PATENT)

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- **A PATENT IS A PURELY LEGAL CONSTRUCT**
 - **DOES NOT CONFER ANY RIGHT TO PRACTICE THE PATENTED INVENTION**
 - **ONLY ALLOWS THE PATENT OWNER TO EXCLUDE OTHERS FROM PRACTICING THE INVENTION; I.E, A RIGHT TO SUE**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- **DEFINITIONS —LICENSED PATENTS, LICENSED PRODUCTS**
- **FIELDS OF USE/GEOGRAPHIC TERRITORY**
- **EXCLUSIVITY/PREFERENTIAL RIGHTS**
- **SUBLICENSING/MANUFACTURING/AFFILIATE/OTHER**
- **THIRD PARTY RIGHTS**
- **ROYALTIES/FINANCIAL TERMS**
- **OTHERS**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- **WHAT PATENT RIGHTS**
- **WHAT ACTIVITIES ARE LICENSED**
- **WHAT IS A ROYALTY-BEARING PRODUCT**
- **WHO IS AUTHORIZED TO PRACTICE**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- ROYALTY-BEARING PRODUCT IS ONE THAT WOULD INFRINGE A “VALID CLAIM”
 - ISSUED CLAIMS ARE PRESUMED VALID
 - PENDING CLAIMS (consider reduced or no royalty)

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- DEFINITION OF NET SALES – “INVOICED” VS. “COLLECTED”
- ARM’S LENGTH SALES – ISSUES RE SALES TO AFFILIATES
- BUNDLING AND ALLOCATION
- NON-COMMERCIAL SALES – REDUCED OR NO ROYALTY
 - DEMONSTRATION/EVALUATION
 - CLINICAL TRIALS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- **PER UNIT AND PERIODIC MINIMUMS**
- **UP FRONT LICENSE FEES/PREPAID ROYALTIES**
- **MOST FAVORED/PREFERENTIAL ROYALTIES/FINANCIAL TERMS**
- **ROYALTY OFFSETS AND CREDITS**
- **WITHHOLDING TAXES**
- **REPORTING AND AUDIT**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- **FOUNDRY RIGHTS - “HAVE MADE” RIGHTS MAY BE IMPLICIT IF NOT DISCLAIMED**
- **SUBLICENSE RIGHTS –CONSENT RIGHTS, SUBLICENSE FEES, OTHER RESTRICTIONS**
- **SUBSIDIARIES/AFFILIATES/JOINT VENTURES - CONSIDER A REQUIREMENT THAT ANY IMPROVEMENT PATENTS MADE BY THIRD PARTY OR LICENSEE BE LICENSED BACK TO LICENSOR**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- **WHO HAS CONTROL OF THE PATENT PROSECUTION?**
 - **IT IS TYPICAL FOR AN EXCLUSIVE LICENSEE TO HAVE SOME CONTROL OF THE PROSECUTION**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- **WHO HAS CONTROL OF PATENT ENFORCEMENT?**
 - **EXCLUSIVE/NON-EXCLUSIVE RIGHTS**
 - **INFRINGEMENT IN THE FIELD/TERRITORY**
 - **COMMERCIALY SIGNIFICANT INFRINGEMENT**
 - **DEFINE HOW PROCEEDS WILL BE SHARED**
 - **ALWAYS NEED RIGHT TO JOIN OTHER PARTY AS A PARTY, AND SHOULD HAVE COOPERATION CLAUSE**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- REPRESENTATIONS AND WARRANTIES
 - LICENSOR HAS RIGHT TO GRANT LICENSES, AND LICENSOR HAS NOT GRANTED AND WILL NOT GRANT OTHER CONFLICTING RIGHTS
 - PRACTICING INVENTION WILL NOT INFRINGE THIRD PARTY PATENTS - OFTEN LIMITED TO LICENSOR'S KNOWLEDGE
 - WARRANTY AS TO LIST OF EXISTING PATENT RIGHTS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- **REPRESENTATIONS AND WARRANTIES**
 - **LICENSOR OWNS NO OTHER PATENTS/APPLICATIONS THAT WOULD NECESSARILY BE INFRINGED BY PRACTICE OF LICENSED PATENT**
 - **NO THIRD PARTY CLAIMS RE PATENTS**
 - **DISCLAIMERS**
 - **NO WARRANTY AS TO ISSUANCE OF APPLICATIONS OR VALIDITY OF PATENTS**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- TERMINATION
 - GENERALLY, TERM IS FOR LIFE OF PATENTS/APPLICATIONS, LAST TO EXPIRE/BE ABANDONED
 - TERMINATION ON BREACH BY LICENSEE
 - TERMINATION FOR CONVENIENCE
 - BANKRUPTCY ISSUES

INTELLECTUAL PROPERTY KNOW HOW AND WHY

PATENT LICENSING

- MISCELLANEOUS
 - ASSIGNMENT
 - CONFIDENTIALITY
 - IMPROVEMENTS
 - PATENT MARKING PROVISION
 - NO CONSEQUENTIAL DAMAGES
 - INFRINGEMENT INDEMNITY

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- **WHAT ARE YOUR BUSINESS PURPOSES AND OBJECTIVES?**
 - **ULTIMATE GOALS**
 - **WHAT ARE YOU TRYING TO ACHIEVE?**
 - **WHAT KIND OF COMPANY ARE YOU?**
 - **WHO ARE YOUR REAL COMPETITORS?**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- **MAIN ROLES OF AN IP STRATEGY**
 - **TO DRIVE A COMPANY'S IP PROCESSES IN A SUSTAINABLE WAY TO CREATE IP HAVING MAXIMUM BUSINESS VALUE**
 - **TO GUIDE DECISION-MAKING FOR IP MATTERS**
 - **TO CONNECT YOUR IP TO YOUR BUSINESS**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- **GOALS OF AN IP STRATEGY**
 - **MAXIMIZE BUSINESS VALUE OF YOUR IP**
 - **GENERATE MORE, HIGHER QUALITY IP**
 - **MINIMIZE BUSINESS VALUE OF OTHERS' IP**
 - **INCREASE EFFICIENCY OF IP PROCESSES**
 - **RAISE LEVEL OF IP SOPHISTICATION**
 - **INCREASE MARKET SHARE**
 - **AVOID IP LITIGATION**
 - **ASSIST IN EXECUTING BUSINESS PLAN**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- **IP ISSUES**

- **HOW IS THE STRENGTH OF IP DETERMINED?**
- **HOW IS THE BUSINESS VALUE OF IP MEASURED?**
- **HOW DOES ONE CREATE BULLET-PROOF IP?**
- **HOW DOES A COMPANY DEAL WITH COMPETITORS' BOGUS IP? WEAK IP? STRONG IP?**
- **WHAT IP PROCESSES SHOULD A COMPANY USE?**
- **HOW DOES A COMPANY SUSTAIN ITS IP EFFORTS?**
- **HOW DOES A COMPANY KNOW WHAT TO PATENT?**
- **HOW TO ACHIEVE IP GOALS WITH LIMITED RESOURCES?**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- **IMPLEMENTATION CONSIDERATIONS**
 - **NEED TO KEEP INVENTING AHEAD OF COMPETITION; OTHERWISE, VALUE OF CORE IS ERODED**
 - **IMPLEMENTING WILL LEAD TO ADDITIONAL IP**
 - **NEED PROCESS TO CAPTURE, DOCUMENT AND REVIEW**
 - **SOME IP MAY BE TRADE SECRET IP**
 - **PROSECUTION OF PENDING APPLICATION**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- IMPLEMENTATION CONSIDERATIONS
 - PROSECUTION OF PENDING APPLICATION
 - MANAGE SO THAT CLAIMS MEET BUSINESS GOALS
 - ARE CLAIMS COVERING PRODUCTS?
 - DO CLAIMS OVERLAP PRIOR ART?
 - METHOD AND APPARATUS CLAIMS?
 - PRIOR TO ISSUANCE OF PATENT
 - FILE CONTINUATION WITH DIFFERENT CLAIMS
 - FILE CONTINUATIONS-IN-PART FOR IMPROVEMENTS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- IMPLEMENTATION CONSIDERATIONS
 - COMPETITORS MIGHT “PATENT AROUND”
 - REDUCES VALUE OF CORE TECHNOLOGY PATENT
 - LOSS OF MARKET SHARE
 - DIMINISHES IP POSITION RE: LICENSING, ETC.
 - CAN’T AFFORD TO PATENT EVERY INVENTION AROUND THE CORE

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- IMPLEMENTATION CONSIDERATIONS
 - USE DEFENSIVE PUBLICATIONS
 - PUBLISH IMPROVEMENTS AROUND THE CORE
 - PREVENTS OTHERS FROM PATENTING AROUND
 - OTHER FREE TO USE IMPROVEMENTS,
 - BUT USELESS WITHOUT THE CORE PATENT
 - PUBLISHING OPTIONS
 - THE USUAL TECHNICAL PUBLICATIONS
 - US PATENT APPLICATION PUBLICATION

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- **IMPLEMENTATION CONSIDERATIONS**
 - **PATENT AROUND THE CORE**
 - **IMPROVEMENTS TO CORE INVENTION**
 - **DIFFERENT LEVELS OF THE INVENTION**
 - **ELECTRONICS, OPTICAL, SOFTWARE, ETC.**
 - **USE CIP APPLICATIONS FROM EXISTING APPLICATION**
 - **FILE NEW APPLICATIONS**
 - **CREATE A PATENT PORTFOLIO**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- IMPLEMENTATION CONSIDERATIONS
 - LICENSING
 - LICENSE TO NON-COMPETITORS
 - PATENT APPLICATION INVENTIONS
 - E.G., TRANSLUCENT MATERIAL
 - APPLICATION #1: CONFERENCE ROOMS
 - APPLICATION #2: REFRIGERATOR DOORS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- PRODUCT CLEARANCE - CAN AVOID INFRINGEMENT IF YOU:
 - KNOW THE IP SPACE
 - PERIODICALLY MONITOR THE IP SPACE
 - PERFORM PRODUCT CLEARANCES
 - HAVE IP WORTH ENFORCING

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- INFRINGEMENT LITIGATION RISK?
 - FIRST, NEED TO ASSESS INFRINGEMENT
 - MUST SEEK OPINION OF COUNSEL
 - DON'T ASSUME INFRINGEMENT W/O PROPER LEGAL ANALYSIS
 - ASSESS VALIDITY OF PROBLEMATIC CLAIMS
 - BOGUS
 - WEAK
 - MEDIUM
 - STRONG

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- **OPTIONS IN THE FACE OF BOGUS OR WEAK PATENT**
 - **IGNORE / WHAT ARE THE CHANCES OF BEING CAUGHT?**
 - **GET A WELL-INFORMED VALIDITY OPINION FROM ATTORNEY**
 - **RE-EXAMINATION BY USPTO**
 - **LICENSE FOR NOMINAL FEE AND FAVORABLE TERMS**
 - **DESIGN AROUND**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- DESIGNING AROUND PATENTS
 - WATCH FOR PATENTEE SEEKING REISSUE PATENT
 - ELIMINATE CLAIM ELEMENT IN ITS ENTIRETY
 - USE AN “EQUIVALENT” ELEMENT GIVEN UP IN PROSECUTION HISTORY
 - EVALUATE RANGE OF EQUIVALENTS AND AVOID
 - ADOPT TECHNOLOGY DISCLOSED BUT NOT CLAIMED

INTELLECTUAL PROPERTY KNOW HOW AND WHY

DEVELOPING AN IP STRATEGY

- **DESIGNING AROUND PATENTS**
 - INVOLVES INTENSE SCRUTINY OF PATENT
 - INTERPRETATION OF CLAIMS
 - DETAILED REVIEW OF FILE HISTORY
 - REQUIRES ASSISTANCE OF ATTORNEY
 - COORDINATION OF ATTORNEY AND TECHNICAL STAFF
 - COSTLY BUT GENERALLY WORTH IT WHEN COMPARED TO LITIGATION COSTS AND/OR LICENSING COSTS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

IP VALUATION

- BASIC IP VALUATION APPROACHES
 - COST APPROACH
 - MARKET APPROACH
 - INCOME APPROACH
 - RELIEF-FROM-ROYALTY APPROACH

INTELLECTUAL PROPERTY KNOW HOW AND WHY

IP VALUATION

- DETERMINING ROYALTY
 - ANALYTICAL APPROACH
 - PROFIT IF IP USED CALCULATED AT ~ 20-30%
 - PROFIT IF IP NOT USED CALCULATED AT ~ 10-20%
 - 10% ROYALTY REPRESENTS “BREAK EVEN”
 - 5% ROYALTY REPRESENTS WIN-WIN

INTELLECTUAL PROPERTY KNOW HOW AND WHY

IMPLEMENTING AN IP STRATEGY

- THE SIX KEYS TO SUCCESS
 - COMMITMENT
 - RESOURCES
 - CHANGE
 - EDUCATION
 - INTEGRATION
 - TOOLS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

IMPLEMENTING AN IP STRATEGY

- **COMMITMENT**
 - **CEO & SENIOR MANAGEMENT BUY-IN**
 - **LONG-TERM VIEW NEEDED FOR SUSTAINABILITY**
 - **ROI FOR IP IS MEASURED IN YEARS, NOT MONTHS**
 - **INVENTORS NEED MANAGEMENT SUPPORT TO:**
 - **PARTICIPATE WITHOUT BEING PUNISHED**
 - **RECEIVE IP EDUCATION**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

IMPLEMENTING AN IP STRATEGY

- RESOURCES
 - IMPLEMENTATION TAKES T.I.M.E.
 - TIME
 - INVOLVEMENT
 - MONEY
 - EFFORT
 - CAN ONLY DO WHAT YOU CAN AFFORD AND SUPPORT
 - RESOURCE ISSUES = BIGGEST OBSTACLE
 - MAY REQUIRE RESOURCE BALANCING/REALLOCATION

INTELLECTUAL PROPERTY KNOW HOW AND WHY

IMPLEMENTING AN IP STRATEGY

- IT IS ALMOST ALWAYS WORTH AVOIDING LITIGATION
 - BY AVOIDING INFRINGING OTHERS' IP
 - BY BEING READY TO LICENSE OR CROSS-LICENSE
 - BY ACHIEVING AN APPROPRIATE LEVEL OF IP SOPHISTICATION
- EXCEPTIONS
 - OUTRIGHT EXTORTION
 - ROCK-SOLID CASE AND HUGE UPSIDE

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- WIN THE CASE AT LEAST COST?
 - CONTINGENT FEES?
- EARLY TRIAL VS. INTERIM ORDERS
 - VENUE SELECTION
- DAMAGES VS. INJUNCTIVE RELIEF
 - MARKET SHARE AND “EXPENDABLE” IP

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- APPROXIMATE FEES AND COSTS
 - PATENT.....\$1,000,000 TO \$5,000,000
 - TRADE SECRET...\$500,000 TO \$1,000,000
 - TRADEMARK.....\$300,000 TO \$600,000

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- WHAT DO YOU KNOW ABOUT YOUR TARGET?
 - FINANCIAL STRENGTH
 - LITIGATION REPUTATION
 - TARGET'S OWN IP

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- HOW DID TARGET'S PRODUCT COME TO HAVE TARGETED FEATURE?
 - EMPLOYEE HIRE?
 - REVERSE ENGINEER?
 - LICENSE OR OTHER RESTRICTION?
 - INDEPENDENT DEVELOPMENT?

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- **WHAT DO YOU KNOW ABOUT YOUR TARGET'S ACCUSED PRODUCTS OR METHODS?**
- **WHAT PUBLIC INFORMATION IS AVAILABLE ABOUT THE ACCUSED PRODUCTS?**
 - **EXEMPLARS/SAMPLES**
 - **MARKETING AND ADVERTISING MATERIALS**
 - **INFORMATION FROM WEBSITES**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- WHAT ARE THE EXPECTED COUNTERCLAIMS?
 - PATENT MISUSE/ANTITRUST
 - UNFAIR COMPETITION
 - PATENT INFRINGEMENT COUNTERCLAIMS
 - UNENFORCEABILITY OF PATENT (INEQUITABLE CONDUCT)
 - TRADE SECRET MISAPPROPRIATION
 - TRADEMARK/TRADE DRESS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

EX PARTE VS. INTER PARTES REEXAMINATION

| Ex Parte | Inter Partes |
|---|---|
| Can be used any issued patent | Only for issued patents with filing date on or after 11/29/1999 |
| Initiated by anyone | Initiated by third party |
| Requires substantial new question of patentability based on patents or printed publications | Requires substantial new question of patentability based on patents or printed publications |
| If ordered, proceedings are ex parte in nature | Third party requester can submit comments after patent owner's response to each office action |
| No Preclusive effect | Preclusive effect |

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- GENERAL ISSUES
 - CLAIM CONSTRUCTION
 - WILLFULNESS
 - DECLARATORY JUDGMENT

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION - ANALYSIS OF PATENT INFRINGEMENT

- **SCOPE OF PATENT PROTECTION - DEFINED BY THE LANGUAGE OF THE ELEMENTS OF THE ASSERTED CLAIM INTERPRETED IN LIGHT OF THE PATENT SPECIFICATION AND PROSECUTION HISTORY**
- **NON-INFRINGEMENT - AN ACCUSED DEVICE DOES NOT INFRINGE AN ASSERTED CLAIM UNLESS THE ACCUSED DEVICE INCLUDES EACH AND EVERY ELEMENT OF THE ASSERTED CLAIM.**
- **INVALIDITY - AN ASSERTED PATENT IS INVALID IF THE PRIOR ART INCLUDES EACH AND EVERY ELEMENT OF THE ASSERTED CLAIM.**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- **DISCOVERY ISSUES**
 - **DOCUMENT RETENTION ISSUES**
 - **FREEZING OPPONENTS' DOCUMENTS**
 - **MIRRORING HARD DRIVES/FORENSIC ISSUES**
 - **E-MAIL DUPLICATION**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- WHO ARE THE POTENTIAL EXPERTS?
 - PERSONAL REFERRALS
 - JURY VERDICT SERVICES
 - REPORTED CASES
 - PROFESSIONAL DIRECTORIES
 - INTERNET
 - PATENTS

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- **AUDITIONING PROSPECTIVE EXPERTS**
 - **THE EXPERIENCED EXPERT**
 - **THE INEXPERIENCED EXPERT**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION

- **ALTERNATIVE DISPUTE RESOLUTION OF IP CONTROVERSIES**
 - **EARLY NEUTRAL EVALUATION**
 - **MEDIATION**
 - **ARBITRATION**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

EARLY NEUTRAL EVALUATION

- **A COURT’S LOCAL RULES GOVERN THE ENE PROCESS.**
- **TYPICALLY, THE PROCESS INVOLVES MAKING A PRESENTATION TO A COURT APPOINTED NEUTRAL WHO RENDERS A NONBINDING OPINION.**
- **THE GOAL OF ENE IS TO GENERATE A REALISTIC OBJECTIVE ASSESSMENT OF THE CASE AND TO PROVIDE A “REALITY CHECK” FOR THE LAWYERS AND PARTIES.**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

MEDIATION

- **MEDIATION IS THE MOST COMMON AND RAPIDLY GROWING ADR CHOICE.**
- **THE PROCESS IS RUN BY A MEDIATOR AND GOVERNED BY A COURT'S LOCAL RULES.**
- **MEDIATION REQUIRES THAT BOTH PARTIES BE IN ATTENDANCE WITH THE AUTHORITY TO SETTLE THE CASE.**

INTELLECTUAL PROPERTY KNOW HOW AND WHY

MEDIATION

- A MEDIATION TYPICALLY INVOLVES AN INITIAL JOINT SESSION WHERE THE PARTIES CAN ARGUE THEIR CASE. THEREAFTER, THE PARTIES BREAK UP INTO SEPARATE CAUCUSES AND THE NEUTRAL SHUTTLES BACK AND FORTH. UNLESS THE PARTIES INDICATE OTHERWISE, THESE CAUCUSES ARE CONFIDENTIAL.
- THE GOAL OF MEDIATION IS FOR THE PARTIES TO REACH A CONSENSUS REGARDING THE CASE.

INTELLECTUAL PROPERTY KNOW HOW AND WHY

MEDIATION

- **THE MEDIATOR MAKES NO DECISIONS ON THE MERITS AND HAS NO AUTHORITY TO MAKE BINDING DECISIONS FOR THE PARTIES.**

- **THE KNOWLEDGE GAINED BY A NEUTRAL DURING MEDIATION IS PROTECTED BY THE MEDIATION PRIVILEGE.**

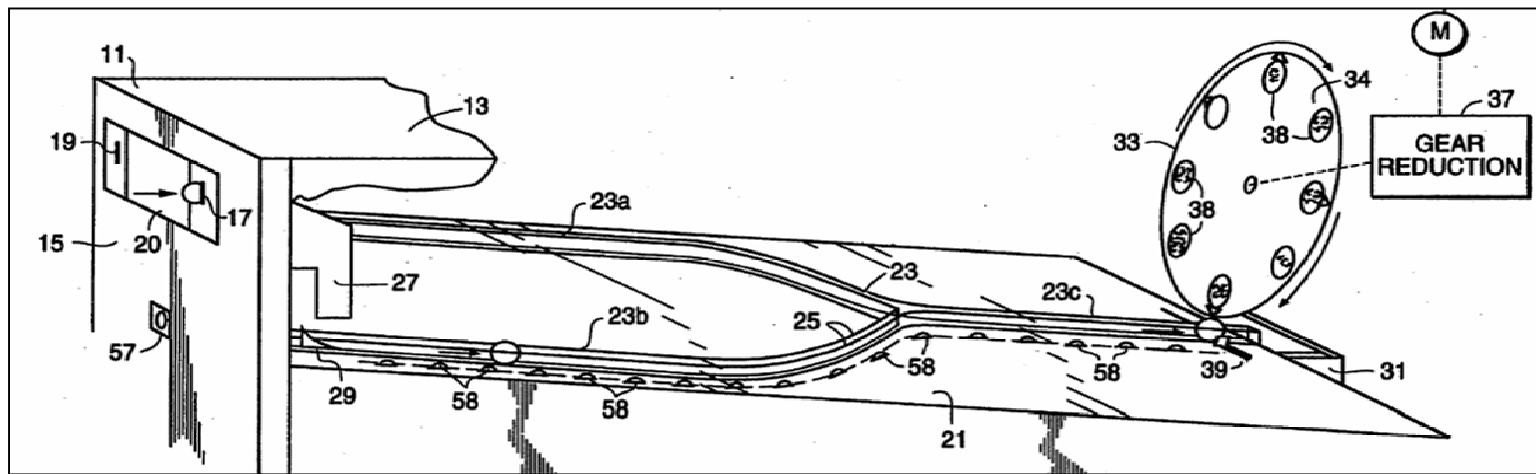
INTELLECTUAL PROPERTY KNOW HOW AND WHY

ARBITRATION

- ARBITRATION IS ONE OF THE MORE FORMAL ADR TECHNIQUES.
- ARBITRATION INVOLVES A HEARING PRESIDED OVER BY A ONE OR THREE MEMBER ARBITRATION PANEL.
- THE PANEL RENDERS A DECISION REGARDING THE CASE, WHICH CAN EITHER BE BINDING OR NON-BINDING UPON THE PARTIES.

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION – REAL LIFE



A coin operated amusement device comprising means defining a coin track to guide a rolling coin in a predetermined path, a payoff wheel positioned adjacent to said path and defining at least one payoff position at an angular position on said wheel, means to rotate said wheel on the axis of said wheel, and means to determine when a coin rolling in said path passes said wheel opposite said payoff position.

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION – REAL LIFE

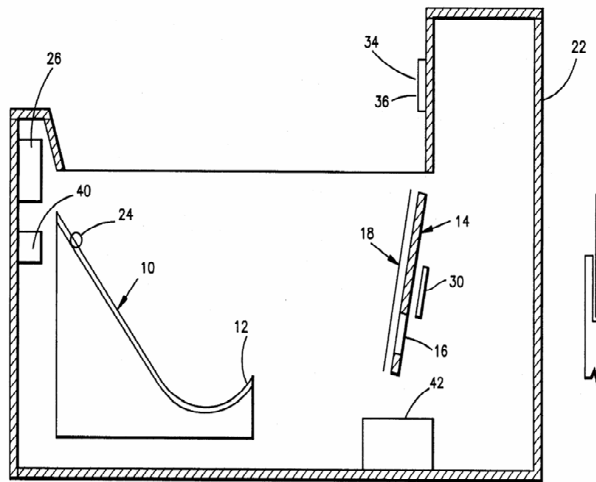
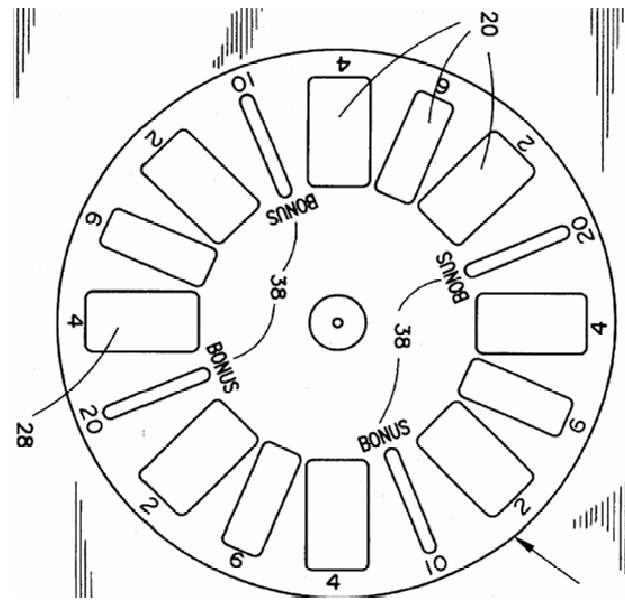


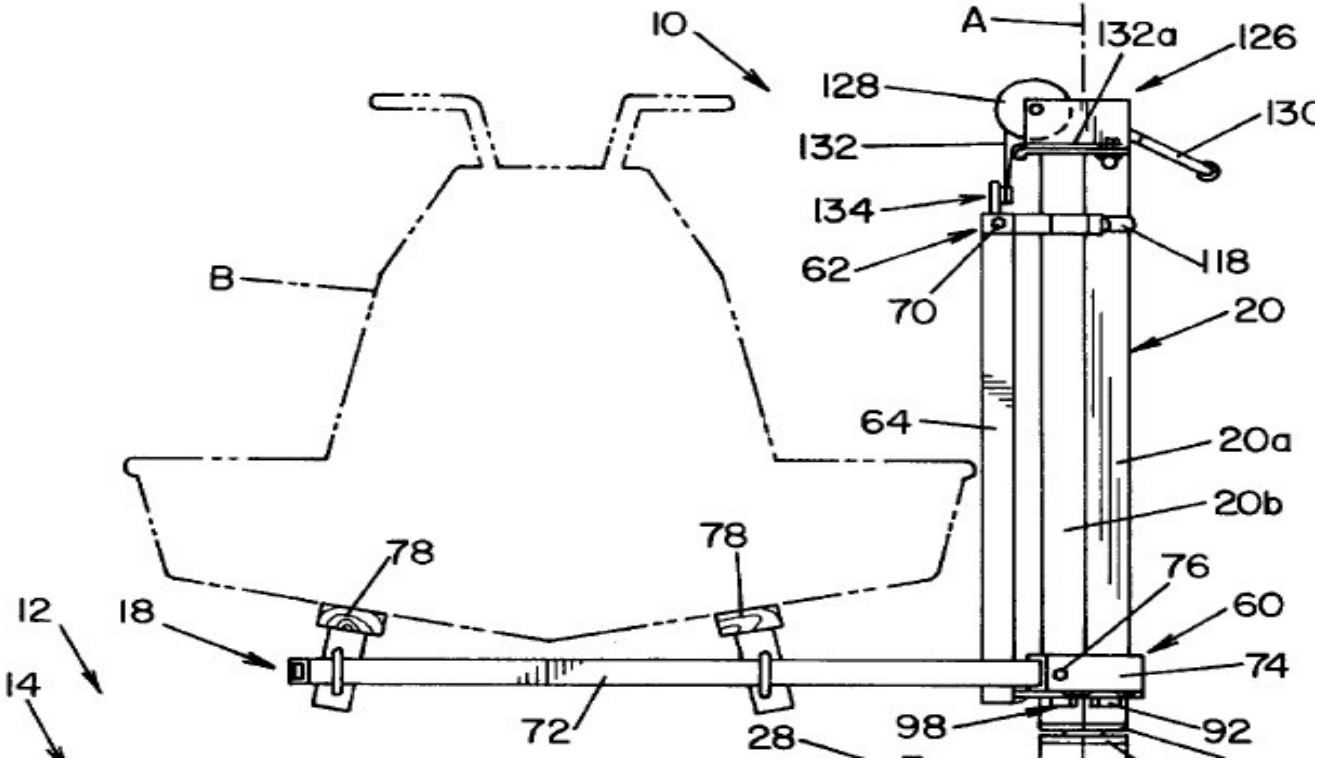
FIG. 1



INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION – REAL LIFE

slidably engaging (rolling v. sliding)



INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION – REAL LIFE

PATENT INFRINGEMENT OF AN INTEGRATED COLUMN AND PILE

Issues:

1. Contractor creates improvement as part of a VECP
2. State uses improvement on subsequent projects
3. Royalty determination

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION – REAL LIFE

TM INFRINGEMENT

Gulf

v.

Gull

INTELLECTUAL PROPERTY KNOW HOW AND WHY

LITIGATION – REAL LIFE

TM INFRINGEMENT

Surf Chick

v.

Chica Surf