

M C N A I R

A T T O R N E Y S



PROTECT YOUR IP: INTELLECTUAL PROPERTY FOR ENTREPRENEURS

GREATER AIKEN SCORE CHAPTER

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MCNAIR
ATTORNEYS

Why Are You Here?

To understand and appreciate that intellectual property:

- ***Arises when your client starts planning its business*** (business name, product names, types of products/services);
- Protection must be determined ***before your client decides to market or offer the product for sale***;
- Has to be protected ***before your client attempts to find venture capital or sell its business***.

Two Forms of Intellectual Property

“Public” intellectual property;

- **Seen** by and/or explained to the public:
 - Patents
 - Trademarks
 - Copyrights

“Private” intellectual property;

- **Not seen** or known by the public;
 - Trade Secrets

Does Your Client Have “Public” or “Private” Intellectual Property?

Public - must protect or you give it away

Private - must keep secret at all costs or it is LOST forever

Intellectual Property Overview

Patents – protects how something works or looks

Trademarks – protects logos, slogans, brands

Copyrights – protects “works” of authorship

Trade Secrets – protects your ways of doing business that are not generally known

Infringement of Intellectual Property – using, copying, or exploiting intellectual property of another without permission

Types of Intellectual Property

Utility Patent – *protects how your invention works*

- Lasts 20 years from when you file it at the Patent Office

Design Patent – *protects how your invention looks*

- Lasts 14 years from when it issues from the Patent Office

Trademark – *protects brand names, slogans and logos used, or that you intend to use, in commerce*

- Lasts for as long as you use the mark and pay the Trademark Office

Copyright – *protects your original works of authorship*

- Lasts for the author's life PLUS another 70 years

Trade Secret – *protects your ways of doing business that are not generally known, e.g., customer lists, business processes, price lists*

- Lasts for as long as you keep it a secret, e.g., Coca-Cola, KFC

The *Best Way* to Look at IP Timing



Timing of Patent Protection

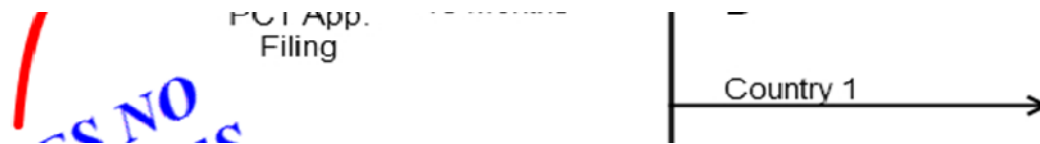
35 U.S.C. § 102 - **PAINFULLY** clear on when you must file a patent, whether it is a utility or a design:

- **ONE (1) YEAR** from a “disclosure” –
 - Described in a printed publication (*YOU INSTAGRAMED IT*);
 - Public Use (*YOU TOOK IT TO A TRADE SHOW*);
 - Sale (*YOU GAVE SOMEONE A REALLY GOOD PRICE*); or
 - Otherwise available to the public (*YOU MADE A YOUTUBE VIDEO OF IT*)

IF YOU DO NOT FILE A US PATENT APPLICATION WITHIN ONE (1) YEAR OF THE ABOVE, YOU JUST GAVE YOUR INVENTION AWAY FOR FREE TO WHOMEVER WANTS IT.

IF YOU DO ANY OF THE ABOVE ACTIVITIES WITHOUT HAVING A PATENT APPLICATION ON FILE, YOU LIKELY CANNOT FILE IN FOREIGN COUNTRIES.

Patent Timeline



Timing of Trademark Protection

Why should I federally register my trademarks, aren't they protected by common law rights?

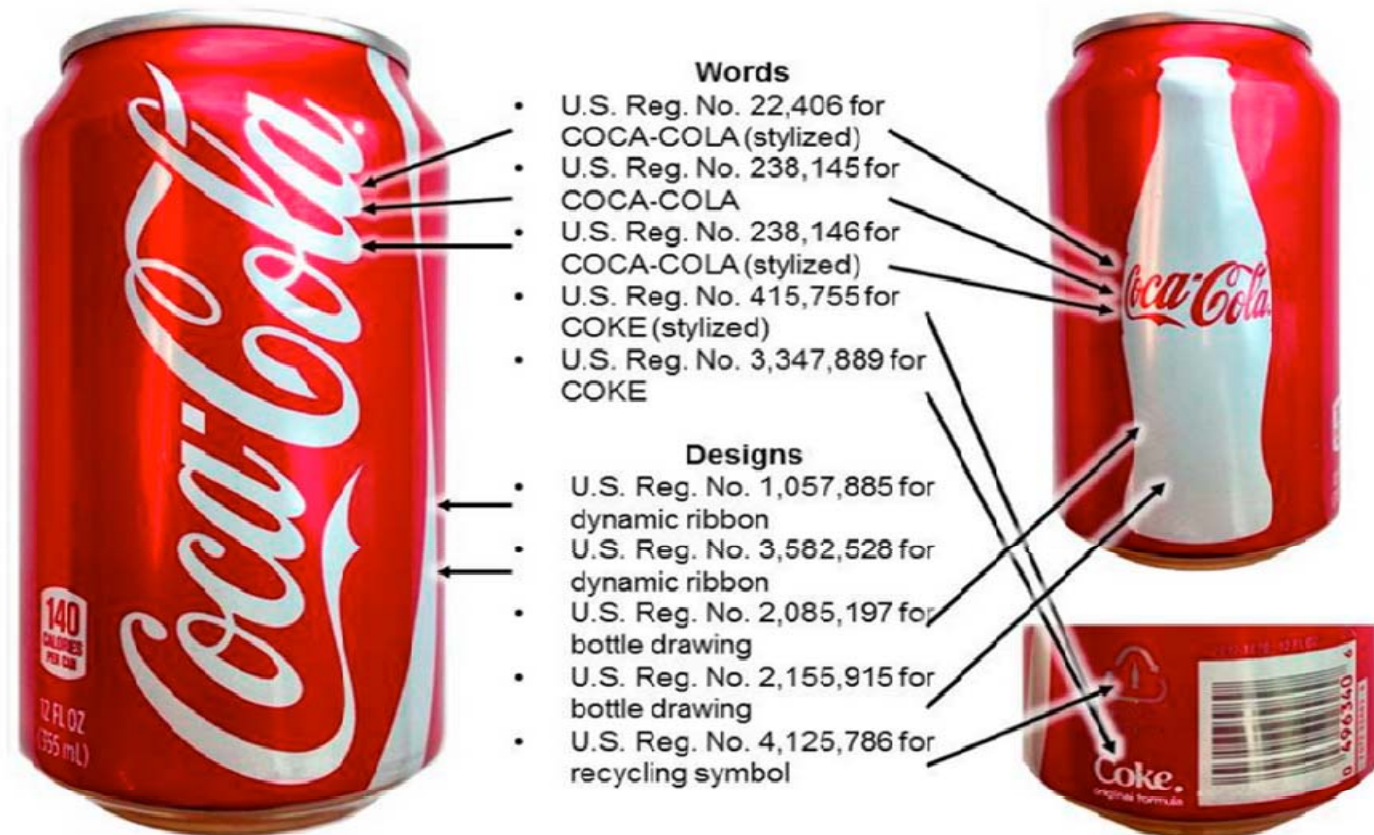
ADVANTAGES TO FEDERALLY REGISTERING YOUR TRADEMARKS:

- ***Someone else will conduct a trademark search to see if your mark may be federally registered;***
- ***Prevents confusingly similar marks;***
- ***Legal presumption of ownership and your exclusive right to use the mark nationwide on or in connection with the goods and/or services listed in the registration;***
- *Bring an action in **federal court**, common law rights must be preserved in at least one state court in EVERY STATE where you use the mark;*
- *Use the U.S. registration as a basis to obtain registration in foreign countries; and*
- *File the U.S. registration with the U.S. Customs Service to prevent importation of infringing foreign goods.*

A **GOOD** Trademark Timeline

A **BAD** Trademark Timeline

Who Uses This Stuff Anyway?



**TEN (10) TRADEMARKS FOR
ONE (1) PRODUCT**

Who Uses This Stuff In Aiken?



Constitution Brewing
Company



Apizza di Napoli



Southern City



Thanks, I'll File It Myself Tomorrow!

However, it is nearly always better to hire an attorney to handle your trademarks and other intellectual property, says Vijay Toke, co-managing partner of Bay Area intellectual property law firm [Hiaring + Smith](#). He says he knows such advice is self-serving, but cites a University of North Carolina School of Law [study](#), released in April, to back his assertion. **The study, which analyzed 25 years' worth of USPTO data, shows that applicants who retained an attorney were 50 percent more likely to get their trademarks approved than were those who applied without legal representation.**

<http://www.bloomberg.com/bw/articles/2013-07-05/when-is-the-right-time-to-trademark-your-companys-name>

Timing of Copyright Protection

If copyright protection is automatic, why should one consider registering my copyrights? (ASK THE BEASTIE BOYS)

Registration is recommended for a number of reasons:

- Your client may wish to have the facts of its copyright on the public record and have a certificate of registration;
- Registered works may be eligible for:
 - Statutory damages; and
 - Attorneys' fees in successful litigation.
- If registration occurs within five (5) years of publication, it is considered *prima facie* evidence in a court of law.
- **IT'S VERY STRAIGHTFORWARD AND YOUR CLIENTS CAN DO IT FOR THEMSELVES!**

Trade Secret Protection

Technical Information

- Plans, designs and patterns, such as those for specialized equipment
- Processes and formulas, such as those for the manufacture of drugs, foods, chemicals or other materials (*e.g.*, the formula for Coca-Cola)
- Methods and techniques for manufacturing
- Engineering notebooks
- Negative information, *e.g.*, the designs that didn't work (the UTSA definition of a trade secret "includes information that has commercial value from a negative viewpoint, for example the results of lengthy and expensive research which proves that a certain process will not work could be of great value to a competitor")
- Computer software (programs or source code)

Trade Secret Protection

Business Information

- Financial information prior to public release
- Cost and pricing information
- Manufacturing information
- Internal market analyses or forecasts
- Customer lists
- Unannounced business relationships one is negotiating or has entered into Information about business opportunities, such as opportunities to acquire another company or product
- Marketing and advertising plans, both for existing ***and planned products***
- Personnel information (*e.g.*, who the key employees are, what are the compensation plans for key employees, who would be a good target to hire away because of his or her special knowledge, experience, receptivity to solicitation, and the like)

Timing of Trade Secret Protection

IMMEDIATE PROTECTION IS REQUIRED!

Consists of “Keeping Things Quiet” . . . **FOREVER**

Three (3) basic criteria:

- The **information must be secret** (*i.e.*, it is not generally known among, or readily accessible to, circles that normally deal with the kind of information in question).
- It **must have commercial value** because it is a secret.
- It must have been subject to **reasonable steps by the rightful holder of the information to keep it secret** (*e.g.*, through confidentiality agreements, locked rooms, limited access, “black box” processes).

Trade Secret Timeline

Trade Secret Protection – Day 1

Advise your employees you have trade secrets;

- Warn them in the employee handbook;
- Only let employees that need to know in on the secret;
- Require employees to sign confidentiality agreements

Limit access to the information;

- Locked doors, locked file cabinets, locked lips;
- Computer passwords;
- Label documents as “Confidential” or “Trade Secret”

Require third parties who may come into contact with trade secrets to sign non-disclosure agreements **BEFORE** you let them in on the secret

- Contractors, vendors, suppliers, potential business partners, etc.

DO NOT PUT A TIME LIMIT ON TRADE SECRET PROTECTION IN ANY DOCUMENT!

Benefits of Trade Secret Protection

Unlike patents, may cover abstract ideas

- Even if the computer program, business method, or software may not be patented, can still be a valuable trade secret.

Can last INDEFINITELY

- As long as the secret remains secret, protection does not expire.

Relatively easy and cheap to maintain

- No filing requirements or costs
- Will require physical security measures

Creates an “aura of mystique” about your company

- Having a secret can create marketing buzz
- Bush’s Baked Beans used this, remember the dog commercials, to gain 80% market share in just a few years

“To Patent or Trade Secret, That is the Question.”

There are disadvantages of protecting confidential business information as a trade secret, especially when the information meets the criteria for patentability:

Reverse Engineering - others may be able to inspect it and discover the secret and be thereafter entitled to use it.

Trade secret protection does not provide the exclusive right to exclude third parties from making commercial use of the trade secret. Only patents can provide this.

Once the secret is made public, anyone may have access to it and use it at will.

A trade secret is more difficult to enforce than a patent. The level of protection granted to trade secrets varies significantly from country to country.

A trade secret may be patented by someone else who developed the relevant information by legitimate means.

“Squaring Away” Your IP

Patents

- Obtain Assignments from the person who developed the invention, especially for employee or third contractor inventors
- Have license/royalty agreements in writing, *no hand-shakes*

Trademarks

- Conduct trademark clearance searches to make sure phrases are clear
- File for federal registration before use in commerce
- Ensure the County owns its logos (both trademark and copyright ownership)

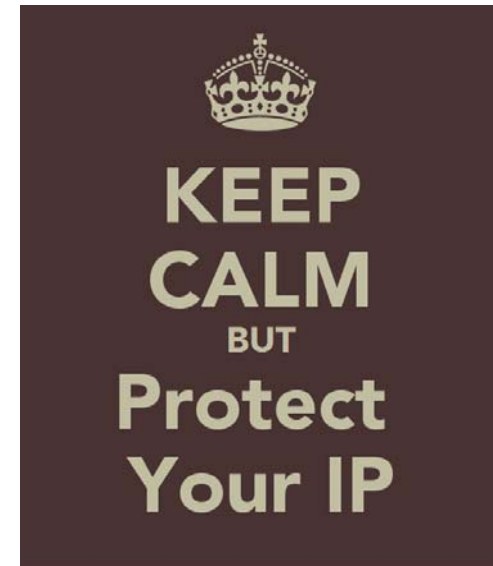
Copyrights

- Ensure you have assignments from artists, independent contractors, etc.
- Federal registration allows for organizing, recording, and protecting the rights, as well as enforcing them against others

“Squaring Away” Your IP

Trade Secrets

- Keep on a “Need to Know” basis
- Physical Security
 - Passwords;
 - Locked Rooms;
 - Limited Access
- Documentation
 - The files you retain *showing you actually do preserve* the documents used to protect your trade secrets
 - Signed handbooks, NDAs, non-compete agreements, licenses



What To Do With Intellectual Property?

Sell it;

License it:

- Exclusive;
- Non-exclusive;
- Timing is your choice

Assign it:

- To your business;
- To a third company;
 - Tax reasons;
 - Ownership;
 - Minority or female owned



Social Media Implications

Don't Say TOO Much

Keep details of new projects, processes, designs and devices to a minimum:

- One (1) year filing bar in the US for design and utility patents
- Likely waived for much of the planet
- Someone might beat you to the trademark office

Build HYPE not HURT.

Do the Following

Trademark: *Before you set up your social media accounts*, make sure that your company has a trademark to help protect the name.

Patent: If you have any strong ideas that you want patented, *do this before posting on social accounts*.

Copyright: Protect your original works (writings, photos, drawings, etc.) by *registering them before posting them*.

Google Alerts: Set up Google Alerts to track certain key terms or your company name. This will help you see when these things pop up online.

Scheduling Tools: Consider social scheduling tools (Hootsuite, Tweetdeck, etc.) to *track your company name and keywords*. This focuses on social media as opposed to the web like Google Alerts.

Self-Help: *When you think someone has misappropriated your property, talk with them*. In most cases, the person may remove the material.

IP Mishaps that Happen All the Time

Copying something from the Internet – **VERY BAD!!**

Failure to:

- Obtain assignments from employees;
- Transfer IP ownership from an artist or designer;
- Clear a name/logo/slogan before using it;
- File a patent within one year of making an invention publicly known – *you've already lost* your foreign patent rights;
- File a carefully drafted patent or trademark application; and
- Document agreements in writing;
 - Vendor Agreements;
 - Licenses;
 - Supply Agreements, etc.



TAKE-AWAY MENU



HAVE YOUR CLIENTS START IP PROTECTION EARLY

- Review IP to know the types they have;
- Protect IP;
- Pause to Consider b/f advertising or discussing new concepts;
- Remember IP protection helps businesses now and later

QUESTIONS?



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Doug practices on the McNair intellectual property unit specializing in intellectual property representation including patent, trademark, and copyright protection. He assists clients with protecting intellectual property through patent, trademark and copyright prosecution, as well as intellectual property litigation. Doug has significant experience drafting and successfully prosecuting patent applications for mechanical, biological, and chemical technologies. He also helps clients with establishing and protecting trademark portfolios, guarding same against improper third party use, and conducting enforcement actions.

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