



Intro IP for Entrepreneurs 2017

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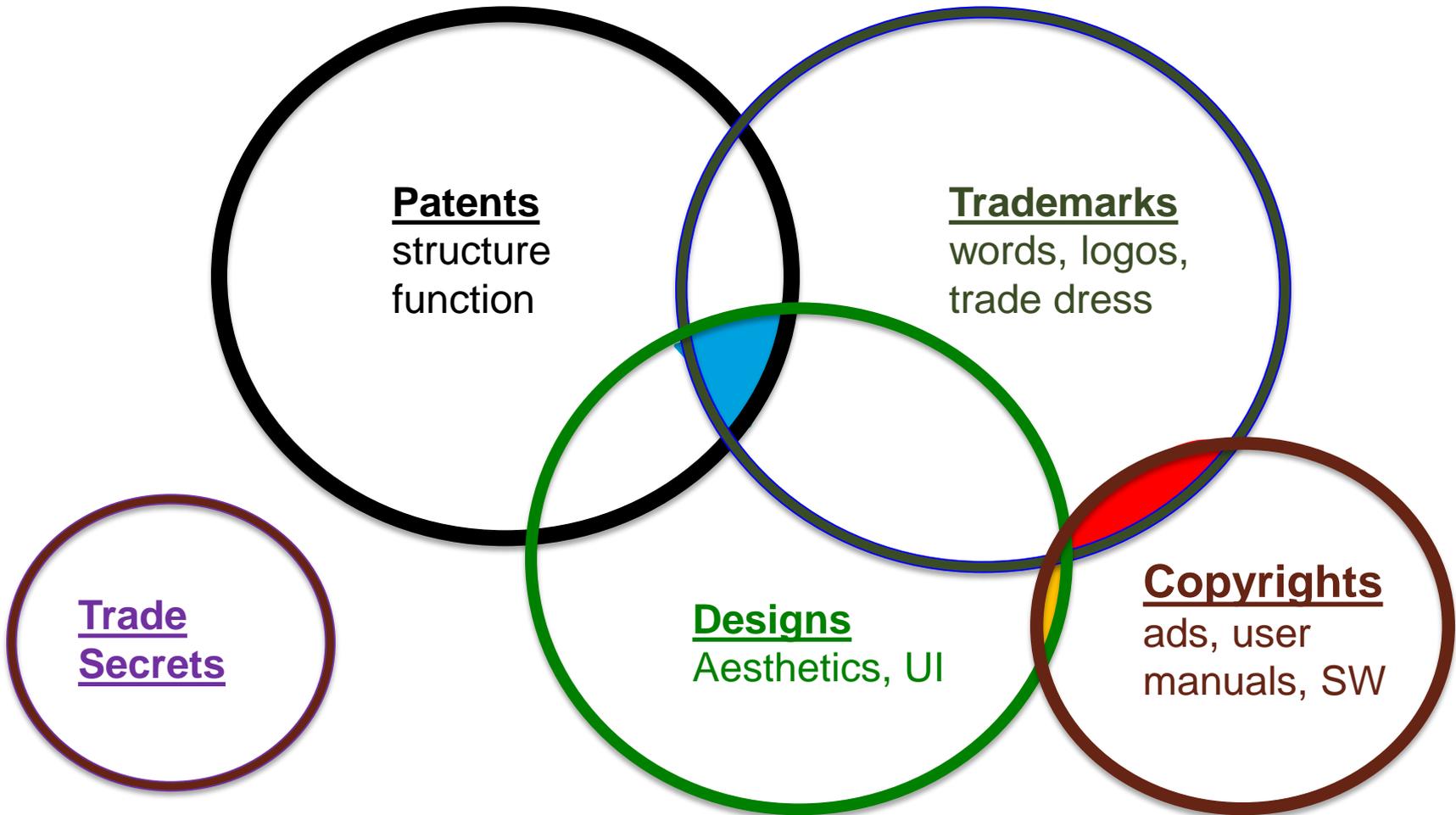


Telling your company's IP story

- **What IP do you have?**
 - Know what can be protected by IP
 - Know what it isn't

- **Does the Company own the identified IP?**

What IP do you have?



Patents

- **Protect**: novel & non-obvious functionality
 - **Prevents others from**: utilizing the claimed combination of components (device, system, method)
 - Whether or not it was independently created
 - Whether or not it was exactly the same implementation
 - **Notable requirements**:
 - Must obtain patent office registration
 - Must apply within one year of public disclosure or commercialization
 - In many foreign countries, must apply prior to any public disclosure or commercialization
- often, the strongest form of IP protection

Example Timeline of a U.S. Patent Application



Provisional applications

- **Benefits**

- No requirements as to form
- No claims, will not be examined
- “placeholder” for a year
- Can be quicker & easier

- **Drawbacks**

- Only good for what was described
- If a later claim is not fully supported in the manner the patent office requires, it will not get the benefit of the earlier date

- **Consider if:**

- Resource constrained
- No existing public disclosure / commercialization

Design patents

- **Protect**: novel & non-obvious aesthetic aspects
- **Prevents others from**: utilizing the claimed aesthetic design
 - Whether or not it was independently created
 - Does not protect against replicating the functionality of the design
- **Notable requirements**:
 - Must obtain patent office registration (easier than utility)
 - Must apply within one year of public disclosure or commercialization
 - In many foreign countries, must apply prior to any public disclosure or commercialization
 - Often not suitable for early companies – too likely that design will change

Trademarks

- **Protect**: words, phrases, graphics, color, sounds, etc. which distinctively identify a brand or source of goods/services
- **Prevents others from**: utilizing the mark for a same class of goods or services
 - Whether or not it was independently created
 - Does not protect against replicating the goods or services, just against marking them with the marks
- **Notable requirements**:
 - Can obtain limited common law rights
 - Registration provides advantages

Trademark timeline

- **File – Use or “Intent to Use”**
- **5-6 months: TM Examiner reviews application**
“Prosecution” – back and forth with Trademark Office, arguing distinctiveness, amending application
- **6-12 months: Approved**
- **7-13 months: Published for opposition (30 day period)**
Within 6 months of allowance, file Statement of Use (if not yet filed); extendible up to 3 years
Possible Opposition proceeding – quasi-judicial and rare
- **10-15 months: Approved trademark – use ®**

Copyrights

- **Protect**: expression
- **Prevents others from**: copying the expression
 - Does not protect against independent creation
 - Does not protect against similar functionality
 - Helpful for software and printed materials of the company
- **Notable requirements**:
 - Copyright is created with the author once the expression is fixed in a tangible medium
 - Registration not required unless and until enforcement

Trade Secrets

- **Protect**: secret information of value to the company
 - Examples: recipes, processes, business plans, customer lists
- **Prevents others from**: stealing the secret
 - Does not protect against independent creation
- **Notable requirements**:
 - Must be taking steps to keep the information secret
 - Policies, procedures, access controls
 - Does not apply to material that is publicly available
 - Often arises in the employment context

A note on global markets

- IP rights are territorial
- Protection must be obtained in every country where protection will be desired
- Laws differ among different countries

Telling the story: Pitfalls

- NewCo is going to enter the home automation market with a new home meter that tones an alarm when the electricity price rises above a threshold
- NewCo's co-founder has a proven track record in this space – he has been selling these to select data center customers for the last 5 years
- With this new round of investments, NewCo plans to apply for patent protection for the meter technology and enter the massive home market

Telling the story: Pitfalls

- What's wrong with NewCo's story?
- They state they plan to patent the meter technology
- BUT
- The co-founder has been selling for 5 years, albeit on a small scale → patent protection is likely unavailable

Telling the story: Pitfalls

- GreatCo has developed an amazing new valve that is achieving great performance due to an unexpected material GreatCo used as a gasket in the valve
- GreatCo was encouraged to grow the company at the behest of one of its early customers, Bob. Bob was really taken with the performance of the valve, and one day, disassembled the valve to examine it. He immediately called GreatCo and said – you guys really have something using hexofluoroplastic for that gasket! I would have never thought of that.
- GreatCo is seeking investment to scale the business and ensures investors that GreatCo will hold the identity of the gasket material as a trade secret, protecting the investment

Telling the story: Pitfalls

- What is wrong with GreatCo's story?
- On inspection of the product (the valve), the identity of the gasket material was readily identifiable
- Once the valves are sold, anyone could now discern the gasket material → no valuable trade secret protection

Demonstrating ownership

- Does the Company own the IP it says it does?
- Ownership begins with the creators of the IP
 - Have the IP creators agreed, in writing, to assign their IP to the Company?
 - Are the IP creators subject to competing claims for ownership of IP they create?
 - Former employers
 - Universities
 - Spouses?
 - Others?

Using IP of others

- Does the Company plan to use the IP of others?
 - Universities
 - Predecessor companies
- Licensing
 - What will be the scope of the Company's license rights?
 - Exclusive?
 - Fields of use? Certain types of products? Right to expand?
 - Territories?
- Improvements
 - Will the company own improvements on the licensed technology?
 - Is the company planning to develop its own IP?

Ownership: Pitfalls

- GreenCo is developing a new electric car battery that will be safer and longer lasting than those currently available.
- GreenCo has been working with Penelope to develop the battery. Penelope works full time at Toosla, a major electric car manufacturer.
- It's early in GreenCo's life, and Penelope is friends with the co-founders. No one has signed any paperwork or quit their "day jobs."

Ownership: Pitfalls

- What gives an investor heartburn about GreenCo's story?
- Concern that Toosla will have an ownership interest in the technology developed by Penelope
- Concern that GreenCo has no ownership interest, because Penelope has not assigned any IP to GreenCo

Questions?



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