

# Meet Our Melbourne Attorneys

We proudly opened our Melbourne office in 2014 to better provide intellectual property, corporate, and other services to clients in the area's growing technology industry. Meet some of our attorneys on the SpaceCoast!

## James O'Brien

Jim has been helping clients develop in the area for a long time. A shareholder at Lowndes, Jim represents clients in the areas of technology products and services, aerospace and aviation, satcom and telecom, consumer electronics and goods, restaurant services, food distribution, entrepreneurial business, healthcare, real estate development and construction as well as in professional businesses and associations. Jim also has significant experience in global and domestic purchasing and supply chain agreements in a variety of industries including consumer goods, technology, satcom/telecom and the aerospace and aviation sectors. Jim is a board member of Candlelighters of Brevard, Inc. and the Space Coast United Soccer Club Inc.



James O'Brien

## Stephen Thomas

A registered U.S. patent attorney and former engineer and program manager, Steve is a shareholder in the firm's Intellectual Property Group. He is an experienced litigator, having enforced intellectual property claims against Fortune 100 companies as well as numerous general business and contract related matters in both the federal and state courts. Steve is also a frequent lecturer on IP and business matters for Central Florida business incubators, universities and other organizations.



Stephen Thomas

Steve is an active member in his community. He is chair of the Founders Forum Board of Directors. In addition he serves on the Economic Development Commission of Florida's Space Coast Board of Directors.

## Alexandrea Simser

Alex was raised in Brevard County and graduated simultaneously from Cocoa Beach Jr./Sr. High School and Eastern Florida State College as a dual-enrolled student. As the daughter of a software engineer and a librarian, Alex was heavily influenced by both technology and books. Today she combines those influences in her law practice as a business and intellectual property attorney. After graduating from Stetson University College of Law, she started her career as in-house counsel for a satellite communications enterprise, and now represents business clients in a variety of industries, including technology products and services, cloud computing, communications, multi-media marketing and publishing, e-commerce, consumer products, restaurant services and healthcare.



Alexandrea Simser

Alex is a frequent writer for *SpaceCoast Business* and other publications. She is an active member of her community and currently serves on the Founders Forum Board of Directors. Alex is also the president-elect of the Brevard County Association for Women Lawyers.

## Melbourne Open House

We enjoyed good people, good food and good stories at our Melbourne Open House held at Eau Gallie Yacht Club. Thank you to those who joined us!



## 10 Ways to Protect Yourself in Light of the Starwood/Marriott Breach

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even freeze the account. Thus, if you are sitting in a meeting and get a text that "you" just bought something, you may react immediately. Many also offer two-factor authentication, where you receive a special code via text after logging in – highly recommended if available.

**7. Consider your email choice.** If you are using your work email, as many of us do, for travel or other accounts, when they are breached, this email address is a trail back to you at the office. We suggest using a different email address that is generic and sanitized for such things.

**8. Good 'ole 2FA.** 2FA is cool-dude speak for "two factor authentication". When it is available, you should use it. For instance, if your bank account will permit you to set 2FA, say by requiring entry of a password, and then an email with a code that should be entered, then use it. Can you really be too careful?

**9. Be suspicious.** If you get an unexpected email from "someone" you know (or especially if you do not know them), that contains a link or an attachment, think twice about clicking it. It doesn't take much to download malicious software. Along those lines, if you accidentally click the link to open the attachment, don't be bashful and decide "it's probably nothing". Reach out to your help desk folks and get them to help. Or, if at home, make sure your antivirus and anti-malware is up to date, then run it.

**10. Finally.** If you are still reading this, then your data thanks you and reminds you to call your loved ones, especially the aged ones. They love to hear from you and it's the right thing to do. Oh, and while you are catching up with them, make sure that they are also being safe with their data. Help them to understand these issues and help them be safer.

Hackers are smart. Try to be smarter with extra thought and security applied to all your online activity. ■



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## About the Firm



THE FINE PRINT is intended to provide information, but not legal advice regarding any particular situation. Questions about individual problems should be addressed to the Lowndes, Drosdick, Doster, Kantor & Reed attorney of your choice. Editorial inquiries should be directed to Daniel McIntosh at LOWNDES, DROSDICK, DOSTER, KANTOR & REED, P.A., P.O. Box 2809, Orlando, FL 32802-2809. Photocopying or reproducing this

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### The firm currently practices in the following areas:

- |                                |                                 |                             |
|--------------------------------|---------------------------------|-----------------------------|
| Administrative Law             | Environmental Law               | Litigation & Trial Practice |
| Alternative Dispute Resolution | Estate Planning                 | Privacy & eDiscovery        |
| Aviation                       | Family & Marital Law            | Private Wealth Services     |
| Banking & Finance              | Foreign Investments in the U.S. | Real Estate                 |
| Bankruptcy                     | Land Use & Zoning               | Restaurant Services         |
| Capital Markets & Technology   | Healthcare                      | Senior Housing              |
| Commercial Leasing             | Hospitality & Leisure           | Supply Chain Management     |
| Construction                   | Immigration                     | Tax                         |
| Corporate & Securities         | Intellectual Property Services  |                             |
| Creditors' Rights              | Eminent Domain & Condemnation   |                             |
| Labor & Employment Law         |                                 |                             |

**Where are your business needs?** Modern business often spans continents and time zones, and we are here to help you navigate through complex legal issues around the world. As a founding member of Meritas, our firm has access to a global alliance of more than 7,600 experienced lawyers in over 180 full-service law firms serving 245+ markets around the world — all rigorously qualified, independent and collaborative. Membership in Meritas is by invitation only. Members are required to participate in ongoing recertification and periodic peer reviews, ensuring their adherence to high levels of client service. ■



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# The Fine Print

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## Seven Key Steps When Thinking About IP Due Diligence in Corporate Transactions

By Jim O'Brien, Stephen Thomas and Alex Simser

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Jim O'Brien Stephen Thomas Alex Simser

Intellectual Property (IP) assets play an increasingly significant role in corporate transactions — small and large — and the importance of involving IP counsel, particularly on the buyer's deal team, cannot be overstated.

All too often, corporate attorneys overlook IP issues as they focus on financial statements and tax implications, and assume that general representations and warranties provide adequate protection. However, representations and warranties only provide the buyer with recourse for damages, which may be limited by the seller's ability to pay, and which are only awarded after lengthy and expensive litigation. Representations and warranties cannot remedy the real problem that arises from lack of due diligence, namely, that the buyer cannot claim title to the asset they bargained for. It is much better for the buyer to confirm valid chain of title and no encumbrances on the target IP prior to closing the transaction.

Here are seven key issues to think about:

### 1. Identify the IP Portfolio

First, a list of all IP assets owned or used by the target should be requested. This should include traditional IP assets, such as registered and unregistered (i.e. common law) trademarks, trademark applications, patents, patent applications, registered and unregistered copyrights, as well as non-traditional IP assets, such as fictitious name (DBA) filings, domain names, social media accounts, software, trade secrets, proprietary technology and processes, customer lists, territory rights, publicity rights, and the like.

### 2. Verify Ownership, Status, and Chain of Title

Each asset should be reviewed to verify ownership and status of the IP. For registered IP, the proper registry should be reviewed to ensure that the IP is registered in the seller's name, there are no gaps in the chain of title, there are no recorded security interests against the IP, and all maintenance fees and requirements have been satisfied to ensure the registration is active. Significant maintenance fees that are coming due and costs that must be incurred to record transfers of the IP should also be considered.

For both registered and unregistered IP, the sources of each asset should be verified and documents should be requested showing transfer of title, including work-for-hire, invention assignment and

non-disclosure agreements with all key personnel, contractors, and service providers that participated in the development of the IP.

### 3. Evaluate Proposed Use and Scope of IP

Throughout the diligence process, the buyer's proposed use of the IP should be evaluated to ensure the IP allows for that use. Trademark goods and services classifications should be reviewed to confirm they cover the anticipated use; patents should be reviewed for scope, validity and enforceability; and freedom-to-operate analyses should be considered to discover infringement concerns. If the buyer has plans to expand geographically, jurisdictional concerns should be explored to determine whether the IP can be used in the proposed jurisdiction and whether the jurisdiction is a "first-to-use" or "first-to-file" jurisdiction.

### 4. Review Agreements for IP-Related Issues

All key agreements — not just IP-specific agreements — should be reviewed for IP-related issues, as they arise in numerous contexts such as license agreements, development agreements, consultant agreements, settlement agreements, endorsement agreements, manufacturing agreements, distribution agreements, collaboration agreements, and more. Anti-assignment or change-of-control clauses, exclusivity, restrictions on scope of use, restrictive covenants, rights of first refusal, rights to infringement indemnification, and impact of governing law provisions on the foregoing (among others) should all be investigated.

### 5. Consider IP Protection and Enforcement Strategy

Protection and enforcement strategy can have a major impact on the strength and value of the IP and should be reviewed to discover weaknesses. Information should be obtained regarding active and prior disputes, knowledge of competitive or infringing IP, subscriptions to trademark monitoring services, cease and

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## In the Community

**Alex Dobrev** was awarded the Rising Star award by the Real Property, Probate and Trust Law Section of the Florida Bar.



Alex Dobrev

**Bill Dymond**, CEO & President, was named Chair-elect of the Orlando Economic Partnership. Bill was also invited to be a member of the Florida Council of 100.



Bill Dymond

**Ahmad El-Gendi** has been appointed to the Executive Committee of the Foundation for Foster Children.



Ahmad El-Gendi

**Melody Lynch** was nominated to serve as Chair of the Ninth Circuit Court of Florida Pro Bono Committee — taking over for the Honorable Heather Pinder Rodriguez. Melody was also named Vice President and President-Elect of the Orlando Philharmonic Orchestra.



Melody Lynch

**Alex Simser** was named President-elect of the Brevard County Association for Women Lawyers. Alex was also elected to the Founders Forum Board of Directors.



Alex Simser

**Tara Tedrow** was elected Vice Chair of the 9th Circuit Judicial Nominating Commission. Tara was also named the first woman chair of the Crummer Leadership Business Advisory Board of Rollins College. Additionally, Tara was appointed to the Florida Governor-elect's Transition Advisory Committee on Government Operations.



Tara Tedrow

**Steve Thomas** was certified as a Florida Supreme Court Certified Circuit Court Mediator.



Steve Thomas

## Welcome to the Firm

We welcomed back **Jill Simon** as of counsel and welcomed three new associates, **Rasheem Johnson**, **Andrew Kelly** and **Jonathan Pickett**. Jill works in the firm's Labor & Employment Law Group, Andrew works in the firm's Real Estate Group, Rasheem works in the firm's Land Use, Zoning & Environmental Group and Jonathan works in the firm's Litigation Group.

We also welcomed **Ryan Scordato** who will serve as of counsel. Ryan represents owners, developers, contractors, design professionals and subcontractors with construction issues.



Jill Simon



Rasheem Johnson



Andrew Kelly



Jonathan Pickett



Ryan Scordato

## Kudos



Richard Dellinger

**Richard Dellinger**, president of the Orange County Bar Association, and the OCBA have been selected as the *Orlando Business Journal's* 2018 Corporate Philanthropy Awards honorees.



Bill Dymond

**Bill Dymond**, CEO & President, was named to *Florida Trend* 500's "Florida's Most Influential Business Leaders" list.



**Hanna Edeback** competed in two European waterski tournaments in Greece as part of the Swedish national team and won first place in one tournament and third place in another!



Gary Kaleita

**Gary Kaleita** was awarded the Living with Wildlife Award by the Florida Wildlife Federation. Gary also published an article titled "Minimizing Bear Incidents in Residential Subdivisions" which was published in the *Florida Home Builder Magazine*.



**Bill Vanos** came in first in his age group at the 2019 Bank of America Chicago Marathon! Over 50,000 runners participated in the race and Bill finished 99<sup>th</sup> overall in 2:30:43.

- Lowndes was named "Hospitality & Leisure Industry Law Firm of the Year" by *Corporate Intl Magazine*.
- Lowndes was once again recognized by the 2018 edition of *Chambers USA*.
- Forty-four Lowndes attorneys earned recognition in *2019 Best Lawyers in America*.
- We are also honored to be named to the "Best Law Firms" list by the *U.S. News & World Report* and *Best Lawyers*.
- Twenty-three Lowndes attorneys were named Florida Super Lawyers for 2018 by *Super Lawyers* magazine.
- *The Orlando Business Journal* has once again listed Lowndes at the top of the 2018 Intellectual Property Law Firms list.

## Seven Key Steps When Thinking About IP Due Diligence in Corporate Transactions

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desist letters, quality monitoring protocols for any licensee products, and practices for marking IP with appropriate markings (®, ©, patent numbers).

### 6. Don't Ignore Foreign Assets

Almost all transactions these days include a foreign component. It is important to remember that title, validity and enforceability of IP assets are subject to the law in each separate jurisdiction in which the asset is registered or is used, and may vary dramatically from country to country. A common mistake is overlooking the foreign assets, assuming that assignment of the U.S. asset carries forward into other jurisdictions. It does not. Failing to conduct due diligence on foreign IP assets can be a costly mistake. IP

assets often become abandoned for the owner's failure to attend to administrative duties such as filing annual annuity fees, or failing to file required proof of continued use in commerce.

### 7. Engage Qualified Counsel to Limit Exposure

It is virtually impossible to cover all the aspects related to properly conducting due diligence on IP assets in a short article. The markets are too varied, and the subject matter is simply too complex. It is best to engage qualified counsel early in the acquisition process in order to verify that the IP assets are actually transferable as the buyer expects. Failure to do so could result in a bad transaction that cannot be unwound. The results

could be catastrophic to the buyer, and could expose the buyer's executive management team to significant liability to investors.

The above list is representative and not exhaustive. Each transaction, and each market, may have specific IP or other regulatory "ownership" paradigms that must be subjected to due diligence (e.g., Supplement Type Certificates, or STCs, in the aviation industry; ownership of 510k clearance for medical devices; etc.).

Of course, no amount of diligence can combat a seller's fraudulent concealment of information, but the IP due diligence process should, at a minimum, include the steps described above in order to discover issues prior to closing. ■

## 10 Ways to Protect Yourself in Light of the Starwood/Marriott Breach



Drew Sorrell

By Drew Sorrell [drew.sorrell@lowndes-law.com](mailto:drew.sorrell@lowndes-law.com)

**M**arriott International announced a massive data breach of its Starwood database. Hackers took off with names, mailing addresses, phone numbers, email addresses, passport numbers, affinity account information, dates of birth, gender, arrival and departure information, reservation dates and communications preferences or some combination of this personal information. According to Marriott officials, the stolen information was accessed from the Starwood database as early as 2014 and affects information in the company's possession prior to September 10th of 2018.

Unfortunately, Marriott's troubles are not an isolated event. Welcome to the new millennium.



Here are ten ways to protect yourself:

- 1. Communicate with business associates.** Are you traveling? The hackers now know who you are via your Marriott information. Remind your business associates how a smart hacker can exploit and spoof your email to look like it's coming from you, and to always double check with you personally before acting on that odd request to wire money or employee information to "you" while you are traveling. Sending "emails from you" while you are traveling is a great way to prevent you learning that "you" have just ordered a wire transfer.
- 2. Change your passwords.** If you recycle passwords as many of us do (but shouldn't), at a minimum change the password for every account that uses the same email address as Marriott (or any other breached account). Consider changing your passwords on a routine basis using a trigger that is easy to remember, such as daylight savings time.
- 3. Change your Starwood password.** Obvious.
- 4. Sign up for credit monitoring.** Credit monitoring is increasingly cheap and in some cases free. I used to recommend that this be done when you learn of a breach, but, breaches are now so common it really should be a constant in your life. Why not have it in place so that if a new account is opened, a new credit check hits or the like, you get an instant message or email when it happens so you can react!
- 5. Get a password manager.** One of the problems with passwords is having to remember them. With a password manager, you create a single master password (we suggest using a pass phrase that is memorable, long, and includes a number and special character or, similarly, use the first letters from the phrase as the password itself to give an almost random password), and then file your other passwords into the encrypted password manager. You won't have to remember any passwords but the one that gets you into your password manager. Easier and safer!
- 6. Download the App for your credit cards and banks.** Frequently, these apps will permit you to turn on messaging to alert you of transactions or

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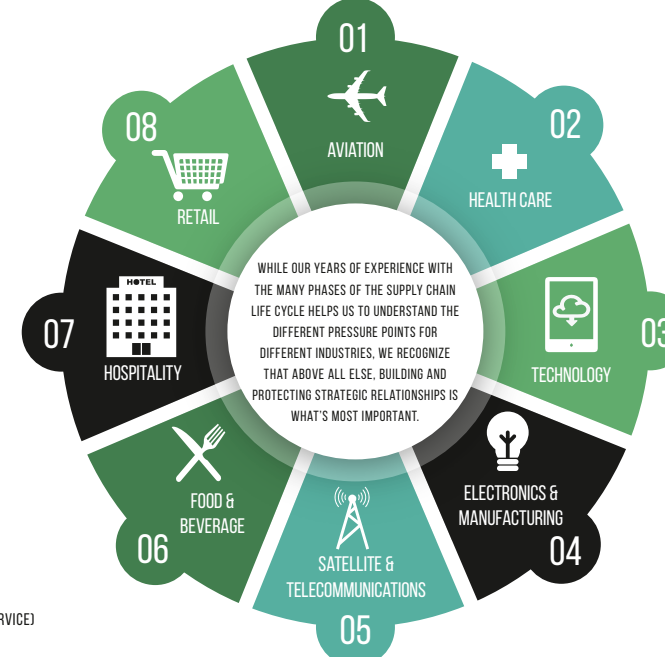
## SUPPLY CHAIN MANAGEMENT.

BUILDING & PROTECTING STRATEGIC RELATIONSHIPS

### MAJOR SUPPLY CHAIN ISSUES

- 1 STRATEGIC ALLIANCES**  
(COMMUNICATING IN PLAIN ENGLISH: MULTIPLE VS. SOLE SOURCING)
- 2 INTELLECTUAL PROPERTY**  
(IP DEVELOPMENT AND LICENSING AGREEMENTS)
- 3 TRADE SECRETS, CONFIDENTIALITY**  
(RESTRICTIVE COVENANT AGREEMENTS W/ DEVELOPERS & SUPPLIERS)
- 4 GLOBAL LOGISTICS**  
(INCLUDES WAREHOUSING, DISTRIBUTION, DELIVERY)
- 5 CONTRACT MANAGEMENT**  
(PROCUREMENT, INVENTORY, DISTRIBUTION, RESELLER, WARRANTIES, SERVICE)

### INDUSTRIES WE SERVE



### BUYER BEWARE:

1. AGREE ON A GAME PLAN, COMMUNICATE, REITERATE.
2. SET REALISTIC EXPECTATIONS: DEVELOPMENT, TIMING, COST.
3. CREATE MULTIPLE SOURCES FOR BACK-UP.
4. DEFINE AND DETAIL THE SCOPE AND SPECS.
5. IDENTIFY AND PROTECT INTELLECTUAL PROPERTY.



### SELLER BEWARE:

1. MAKE REALISTIC COMMITMENTS.
2. SPELL OUT EXPECTATIONS, RISKS AND SOLUTIONS.
3. FACTOR IN COST OF EXPANDED WARRANTIES.
4. SEEK PROFESSIONAL GUIDANCE ON EXPORT LAWS.
5. KNOW YOUR CUSTOMERS AND THEIR CREDITWORTHINESS.



Founded in Florida in 1969, Lowndes, Drosdick, Doster, Kantor & Reed, P.A., is a multi-practice business law firm with offices in Orlando, Melbourne and Mount Dora.

LOCAL ROOTS. BROAD REACH.™

**Lowndes**

182/7,600+

Rated AV by Martindale-Hubbell peer review, the firm is a founding member of Meritas, a global alliance of 7,679 experienced lawyers in over 182 full-service law firms serving 240+ markets – all rigorously qualified, independent and collaborative.

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