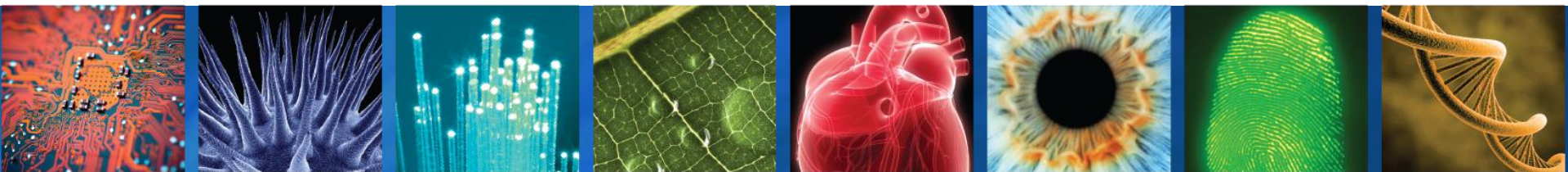


10 IP Pitfalls Every Startup Should Avoid

October 17, 2016

Thomas Y. Yee & Jonathan A. Menkes

949-760-0404



Overview

- Intro to IP
 - Trademark
 - Copyright
 - Trade Secret
 - Patent
- 10 IP Pitfalls
- Questions?



Intro to IP

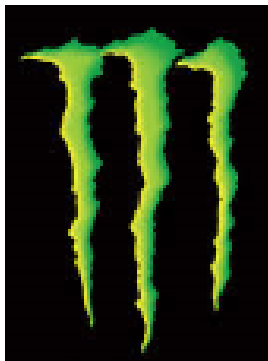
- **Trademark: any word, name, symbol or device**
- **Purpose:**
 - **Source identifier (who made this?)**
 - **Protect goodwill and reputation of producer**
 - **assists building brand and business**
 - **Prevents against free-riders and unfair competition**

Intro to IP

- **Trademark: any word, name, symbol or device**
- **Word marks:**
 - **AMAZON**
 - **YAHOO!**
 - **APPLE WATCH**
 - **DISNEY**
 - **KNOBBE MARTENS**

Intro to IP

- Trademark: any word, name, symbol or device
- Design Marks:



Intro to IP

- Trademark: any word, name, symbol or device
- Word & Design:



Intro to IP

- **Trademark: any word, name, symbol or device**
- **Sound marks:**



Intro to IP

- Trademark: any word, name, symbol or device
- Trade Dress:



Intro to IP

- Trademark: any word, name, symbol or device
- Types of Marks:
 - Strong:
 - Mark has no connection to the goods or services
 - APPLE (computers)
 - PUMA (clothing)
 - OMEGA (watches)

Intro to IP

- Trademark: any word, name, symbol or device
- Types of Marks:
 - Weak:
 - Mark has an immediate connection with the goods or services
 - QUIKPRINT (copy services)
 - BRONZE TAN (sun bathing lotion)

Intro to IP

- Copyright:
 - **Expressive or creative ‘works’**
 - Books
 - Movies/TV
 - Music
 - Paintings
 - Sculptures
 - Websites
 - Software



Intro to IP

- **Patent:**
 - Protects inventions (utility), new and useful process, machine, manufacture, or composition of matter, or a new and useful improvement thereof
 - First Patent: 1790 first patent for a process of making potash, an ingredient used in fertilizer
- **Trade Secret:**
 - Protects information that has economic value from not being generally known (secret) and owner takes reasonable efforts to keep it secret
 - E.g., Coca-Cola recipe

10 IP Pitfalls

- Pitfall #1: Underestimating the value of trademarks
 - Most valuable? (Forbes – March of 2016)
 - Apple
 - 154 billion



10 IP Pitfalls

- Pitfall #1: Underestimating the value of trademarks
- How to avoid:
 - Budget for your brand protection
 - File sooner rather than later



10 IP Pitfalls

- **Pitfall #2: Over-trademarking**
 - **Falling in love with every slogan**
 - **Filing in numerous jurisdictions, even where don't do business**

10 IP Pitfalls

- Pitfall #2: Over-trademarking
- How to avoid:
 - Audit trademarks
 - Tier 1: Most important brand or revenue drivers
 - Tier 2: “Reality check” with secondary markets and slogans

10 IP Pitfalls

- Pitfall #3: Not doing due diligence
- Selecting exact/close trademark without any type of searching
- How to avoid:
 - USPTO search
(<https://www.uspto.gov/trademarks-application-process/search-trademark-database>)
 - Search Engine (Google or Bing)

10 IP Pitfalls

- Pitfall #4: Selecting a weak mark
- Mark has an immediate connection with the goods or services
 - LAWYERS.COM (legal services)
- Selecting a mark in a really crowded field
- How to avoid:
 - Select strong marks
 - Due diligence

10 IP Pitfalls

- Pitfall #5: Waiting too long to seek registration
- A mark is “protected” based on use (common law)
- If someone else registers similar mark and attains “incontestable status,” very difficult to stop
- How to avoid:
 - File early (need not be “in use” at time of filing – ITU)

10 IP Pitfalls

- **Pitfall #6: Failing to consider anticipated/actual global presence**
 - Having a manufacturer in a “pirate” country (and no registration or application on file)
 - Pirate can obtain registration and prevent you from selling product under mark
- **How to avoid:**
 - make conscious decision about which jurisdictions are important and seek foreign protection there

10 IP Pitfalls

- Pitfall #7: Failing to purchase relevant domain names (and reasonably foreseeable variations)
 - Ex.
 - You own PRO-WIDGETS.COM
 - Pirate selects PRO-WIDGETS.NET
 - How to avoid:
 - select most common top level domain names (.com, .net, .org, etc.) and common misspellings (PROWIDGETS, PRO-WIDGETTS, PROWIDGET)

10 IP Pitfalls

- Pitfall #8: Having an inaccurate or misleading privacy policy
 - Ex. companies tell consumers they will safeguard their personal information and fail to do so
 - the FTC can and does take law enforcement action against such companies
- How to avoid:
 - say what you mean and mean what you say in your privacy policies

10 IP Pitfalls

- Pitfall #9: Failure to get assignment from independent contractor (Copyright)
 - Ex. ACME hires NEWB (independent graphic designer) to design ACME's website. NEWB creates brilliant graphics and images on webpage. ACME can't file a copyright application until it gets the rights assigned from NEWB.
- How to avoid:
 - seek competent counsel!

10 IP Pitfalls

- Pitfall #10: The 1-Year Time Bar (Patents)
 - Ex. Describing your invention in a printed publication or selling to the public triggers a 1 year “grace period” (cannot file after 1 year of these events)
- How to avoid:
 - file within the statutory grace period

Shameless Plug

- **Protecting Your Company's Intellectual Property through an IP Audit: a Guide for Small to Mid-Sized Businesses**
 - Available at [Amazon.com](https://www.amazon.com)

Questions?

Thank you



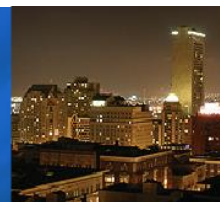
Orange County



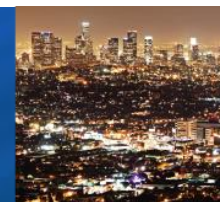
San Diego



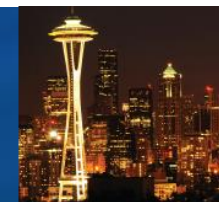
San Francisco



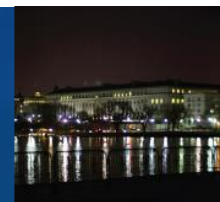
Silicon Valley



Los Angeles



Seattle



Washington DC