

Introduction to IP: Some Basics of Patents, Trademarks, & Trade Secrets

Tom Cowan
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What is “Intellectual Property” (IP)?

- **Exclusive Rights to Certain Intellectual Products (Ideas)**
 - Necessary due to the “non-rivalrous” nature of ideas:
 - “He who receives **an idea** from me, receives instruction himself without lessening mine; as he who lights his taper at mine, receives light without darkening me.” – Thomas Jefferson
- **Basis in U.S. Constitution**
 - Congressional authority “[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries” (Art. I, Sec. 8, Cl. 8)

What types of ideas are protectable?

- Inventive ideas (utility patents)
- Physical appearance of objects (design patents)
- Source identifiers (trademarks)
- Secret, commercially-valuable ideas (trade secrets)
- [Also: Artistic expressions (copyrights)]

Who can benefit from IP protection?

- Any business with a brand, technology or know-how that contributes to business value
- Examples of Typical Protection with:
 - Patents
 - software, devices (medical, mobile, mechanical), technological methods, materials, pharmaceuticals
 - Trademarks
 - business names, product names, logos, slogans
 - Trade Secrets
 - formulas, recipes, industrial processes, customer lists

PATENTS: Why get a Patent?

- **Market Exclusivity** – Key patents may enable you to be exclusive provider of new type of product or service, and to maintain competitive edge
- **Company Value** – Patents are an asset; enhance the value of company; can charge premium for patented items
- **Revenue** – Patents may be licensed to others to derive revenue and/or obtain access to technology of others
- **Legal Protection** – Strong patent portfolio deters other patent holders from suing you
- **Attracts Investors** – provides incentive for venture capitalists to invest in or buy company

PATENTS: The Basics

- Patents protect (1) novel, (2) useful, and (3) non-obvious processes, machines, manufactures, or compositions of matter
- Gives the patent owner the right to *exclude* others from selling/offering to sell, using, making, or importing the invention
 - NOT a right to practice the invention
- Term is 20 years from filing date
- In exchange for this “legal monopoly,” inventor must disclose how to practice the invention

PATENTS: Types

- Utility – most common type
 - Provisional (expires after 12 months)
 - Non-provisional (examined by PTO)
- Design – look and feel
- Plant

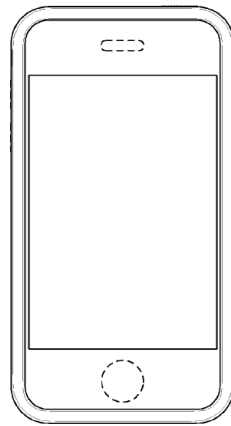
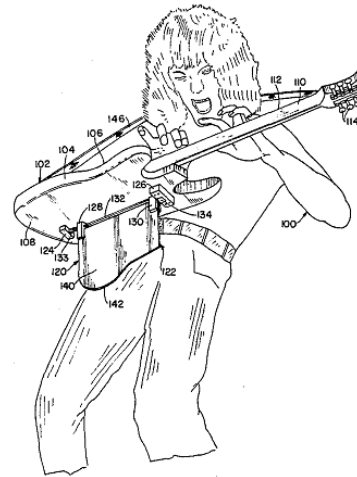
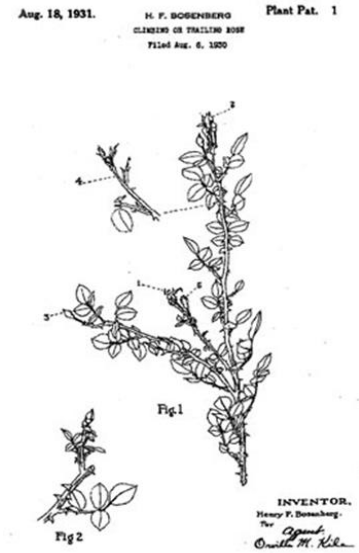


FIG. 11

U.S. Des. No. D593,087



U.S. Pat. No. 4,656,917



U.S. PP1

PATENTS: Spectrum of Eligibility

- Eligibility = threshold requirement for a patent
- Not eligible: abstract ideas, products of nature, natural phenomena
- Recent Scrutiny of eligibility: Biotech, Software & Business Methods



MORE
ELIGIBLE

LESS
ELIGIBLE

Improve
Function of
the Computer
Itself

Effect an
improvement in
any other
technology

Effect an
improvement in a
non-technical field

Fundamental
Economic Practices;
also: diagnostic tests,
DNA

TRADE SECRETS: Basics

- Any commercial information, products or processes that provide economic advantage due to secrecy
- Rights
 - Prohibits misappropriation (stealing) of the trade secret
 - Knowingly receiving a trade secret can constitute misappropriation



Patents vs. Trade Secrets

Patents

Protect innovative ideas by legal registration with the government



Public information



Can exclude others from using same idea, even if reversed engineered or another independently developed idea



Last 20 years



Trade Secrets

No legal registration – redress in court if stolen; not all trade secrets are patentable



Confidential information



Does not protect against reverse engineering or independent development and use of the idea by others



Can last indefinitely



TRADE SECRETS: Secrecy

- Must take “reasonable efforts” to keep secret
 - Use Non-Disclosure (NDA) or Confidential Disclosure Agreements (CDA) for all disclosures of confidential information to anyone, including office visitors, investors, collaborators, distributors, manufacturers, etc.
 - Control dissemination of information
 - Label information as “Confidential” or “Trade Secret”
 - Restrict access to such information (password)
 - Have guests & visitors sign in, sign NDA/CDA

TRADEMARKS: Overview

- Why?
 - Companies: Protect your Brand
 - Also protects Consumers: e.g. health & safety, counterfeits
- Identifies source of origin of goods and services
- Words, logos, colors, sounds, and more



TRADEMARKS: Overview

- Lasts as long as you continue using it properly
- Standard of infringement:
 - likelihood of consumer confusion
- How to get a trademark?
 - Start marking goodsTM – common law
 - For ® – register with the U.S.P.T.O.
- Use non-descriptive marks
 - Not “internet search engine” but “GOOGLE®”

Proper Trademark Use

- **Ensure that all marketing materials properly display trademarks**
 - Provide proper notice using TM or ®
- **Use trademarks as an adjective, not a noun**
 - “Hand me a Kleenex tissue” vs. “Hand me a Kleenex”
- **Use the brand consistently with how it’s filed**
 - Use only for goods and services identified in your registration
- **Must “police” your mark**
 - Put others on notice if they are approaching your TM rights
 - Send “cease & desist” letters to infringers

Q & A

Introduction to IP

Tom Cowan
Boris Zelkind

tom.cowan@knobbe.com
boris.zelkind@knobbe.com
858-707-4000



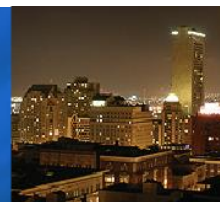
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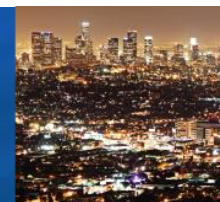
San Diego



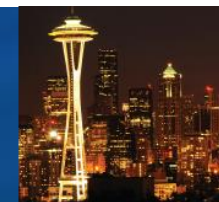
San Francisco



Silicon Valley



Los Angeles



Seattle



Washington DC