

Intellectual Property Bootcamp for Business Lawyers*

*And In-House Counsel

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Presented By:

RES NOVA LAW
INTELLECTUAL PROPERTY
& BUSINESS ATTORNEYS



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Susan Ford is the principal attorney and owner of Res Nova Law, a boutique intellectual property and business litigation firm. She is an experienced intellectual property and business litigator, with over 20 years of experience working with businesses of all sizes to resolve disputes and avoid future litigation. Her experience includes the protection and enforcement of intellectual property rights, including trademarks, copyrights, patents and trade secrets; as well as the litigation of business contracts and business torts of all varieties.



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Howard Russell currently works as of counsel patent attorney to Res Nova Law, a boutique intellectual property and business litigation firm. Howard has over 20 years of experience prosecuting patents and trademarks and helping individuals and businesses protect their intellectual property, both in a law firm setting and as in-house counsel. Howard is a co-founder and IP-Counsel for Abom, Inc., an award-winning heated eyewear technology company based in Portland, Oregon.



Introduction

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This CLE provides an IP overview from the perspective of what we see during initial consultations with prospective clients.



Why Does IP Matter?

- Secure Investments
- Business loans
- Marketing tool to increase sales
- Revenue stream (paid assignments and royalties)
- Limited monopoly (i.e., **patents and trademarks**)
- Build brand value (i.e., **trademarks and trade dress**)
- Protect creative works from unauthorized use (i.e., **copyrights**)
- Competitive edge in the marketplace
- Ability to exclude others



Main Types of IP

1. **PATENTS** - Patent Act, 35 U.S.C. § 1 et. seq.
New and useful inventions, e.g., devices, designs, and methods
2. **TRADEMARKS** - Lanham Act, 15 U.S.C. § 1051 et. seq.
Branding, e.g., business names, product names, and “look and feel”
3. **COPYRIGHTS** - Copyright Act, 17 U.S.C. § 101, et. seq.
Creative works, e.g., literature, illustrations, films, and songs
4. **TRADE SECRETS** - O.R.S. § 646.461(4); Defend TS Act of 2016
Proprietary business information, e.g., recipes, formulas, processes



Patents: Overview

- **Definition:** government granted right for a set period of time to exclude others from making, using, selling, offering to sell, or importing a novel and non-obvious invention into a jurisdiction

PATENT TYPES:

1. **Utility** – machine, article, process
2. **Plant** – asexually-reproduced plant
3. **Design** – ornamental design of a functional item



Patents: Applying in the U.S.

APPLICATION TYPES:

1. **Provisional** - establishes a priority date, essentially as a placeholder, to the extent matter is effectively disclosed
2. **Non-provisional** - necessary to actually get claims allowed, may be filed within one year of a provisional for “priority”

• Duration and maintenance of issued patent:

- Patent term is 20 years (utility) or 15 years (design) from filing date
- Maintenance fees (except for design): every 3.5, 7.5, 11.5 years



Patents: Applying Internationally

TWO ROUTES:

1. **Patent Cooperation Treaty (PCT)** – file a domestic patent application, then—within 1 year—file a PCT application
2. **Paris Convention** – file separate patent applications in non-member countries of the PCT

Tip: no such thing as an “international” patent



Patents: US Prosecution Timeline

- **Provisional**
 - No prosecution because the PTO doesn't examine it
- **Utility**
 - Generally receive the first Office action 2-3 years after filing
 - Examiner reviews the patent claims
 - Typically 2-4 rounds back and forth with the PTO
 - "Final" Office action closes prosecution, but ways to extend it
- **Design**
 - Generally receive the first Office action 6 months after filing
 - Prosecution is typically more minimal than with utility patents



Patents: Best Practices

AVOID PUBLIC DISCLOSURES TOO EARLY ON

- Clients should keep their inventions **confidential** until at least a provisional patent application is on file
- The PTO does not publish provisional patent applications, so your clients can **keep the invention a secret** (unless they eventually file a non-provisional application)
- Keep dated and confidentially-witnessed notes about development of inventions



Patents: Best Practices ...Cont.

- IP in employment agreements
- Due diligence
- Use provisional patent applications as updates to invention occur



Trademarks: Overview

- **Definition:** symbol, word, slogan, or sound associating the source of particular goods or services with a particular entity
- Goal: avoiding **consumer confusion**
- Source of rights:
 - **Common law** - based on prior use in a particular geographic location
 - **State registration** – based on intrastate use, constructive notice, legal presumption of ownership and exclusive intrastate rights
 - **Federal registration** - national scope, constructive notice, legal presumption of ownership and exclusive national rights



Trademarks: Why Register a Mark?

Benefits of Registration:

1. Discourages infringements
2. Helps prevent registration of confusingly similar marks
3. Nationwide priority
4. Nationwide notice
5. Presumed validity / ownership
6. ® symbol
7. Federal court & enhanced damages
8. Statutory damages for counterfeits
9. Basis for foreign registration
10. Customs enforcement

TIP: Even if no federal registration, there is still a right to sue and obtain damages pursuant to **Section 43(a) of the Lanham Act** (unfair competition and false advertising claims). See also 15 U.S.C. § 1117(a).



Trademarks: Applying in the U.S.

- **APPLICATION TYPES:**

- Section 1(a) - use in commerce
- Section 1(b) - intent to use
- Section 44(d) - application based on foreign application
- Section 44(e) - application based on foreign registration
- Section 66(a) - application based on Madrid Protocol

- **Duration and maintenance:**

- Must file a Section 8 Dec between 5th and 6th year; and
- Must file Section 8 Dec and Section 9 Renewal every 10 years



Trademarks: Applying Internationally

- **Madrid Protocol**
 - 6 month priority deadline from domestic filing date
 - 18 month deadline for designated member countries to reject or automatically approved
- **Nice Agreement**
 - File foreign applications in non-member countries of the Madrid Protocol



Trademarks: Best Practices

- Considerations prior to filing a TM application:
 - **Availability of the mark** - best to determine this before the client starts building a new brand; if after, consider risks of continued use.
 - **Possible TM infringement** - consider proposed company names, goods & service marks, and domain names
- Trademark searches and strategy
 - Consider running a comprehensive U.S. search
 - Consider that registration may bring scrutiny by senior user
 - Is re-branding something they should consider



Copyrights: Overview

- **Definition:** Copyrights give exclusive legal rights to an author or assignee to reproduce, distribute, perform, display and prepare derivative works of **any original work of authorship**.
- **Duration:**
 - Life of the author plus 70 years, generally
 - **Works made for hire** – 95 years from the date of first publication or 120 years from the year of its creation, whichever expires first



Copyrights: Registrable Works

- **Original works of authorship**, include literary, dramatic and artistic works, architecture and ornamental designs.
- What can you register?
 - **Single works**
 - **Collective works** – includes:
 - Periodicals and newspapers;
 - Published photographs (up to 750 for 1 filing fee)
 - Automated database updates.



Copyrights: Tips to Know

- **Work for Hire Doctrine**
 - Employees are deemed to make works for hire absent an agreement otherwise; need a work for hire agreement with independent contractors.
- **Derivative works** - A “derivative work” is a work based upon one or more preexisting works. A derivative work is transformative (i.e., fair use) if it uses a source work in completely new or unexpected ways.
- Statutory damages and attorney’s fees may be available



Trade Secrets vs. Patents

TRADE SECRETS

- Infinite duration
- Essentially free except cost to secure secrecy
- Best if can't reverse engineer
- More attractive since software patents became harder to obtain under *Alice Corp. v. CLS Bank International*, 573 U.S. ___, 134 S. Ct. 2347 (2014)

PATENTS

- Only last 20 years (5 years caught up in prosecution)
- Prosecution is relatively expensive
- Reverse engineering doesn't matter
- More attractive to investors



“Policing” Intellectual Property

- **Definition:** to enforce your intellectual property rights against infringers by **litigation** and **potential settlement**
- **Infringement** occurs when a defendant’s product, process, mark, or work encroaches on the protected intellectual property of another
 - Contrast with “prosecution”
 - Contrast with licensing



Standards for Infringement

- **Patents**: A person **directly infringes** a patent by making, using, offering to sell, selling, or importing into the US any patented invention, without authority, during the term of the patent. [Also **indirect infringement**].
- **Trademarks**: Likelihood of consumer confusion standard
- **Copyrights**: Substantial Similarity between the works
- **Trade Secrets**: Improper acquisition or disclosure of trade secrets



IP Due Diligence

- Competitive product investigation and analysis (patent)
- Watch services (trademark and copyright)
- Concurrent actions considered – PTAB, TTAB
- Validity and infringement analyses (patent, trademark, copyright)
- Opinion letters (to rebut willfulness)
- Licensing (strategy planning and/or settlement)
- Franchising (strategy planning)



Cease and Desist Letters

Demand letters – demand that they cease and desist, offer a license and/or suggest concurrent use agreement (trademarks), threaten litigation (only if you can back it up)

- **Risk:** declaratory judgment action in response
- **Risk:** counterclaim for invalidity (patent and trademark)
- **Risk:** concurrent actions may result – PTAB, TTAB
- Also consider: **DMCA take-down notices** to Online Service Providers



Institute Litigation

Patents – federal court has exclusive jurisdiction, need a patent to sue. (6 year SOL on damages)

Trademarks – federal court for use in **interstate** commerce, whether or not there is a registration; state court for use in **intrastate** commerce. (no federal SOL; beware of laches)

Copyrights – federal court has exclusive jurisdiction, need a copyright **application or registration** to sue. (3 year SOL)

Trade secrets – federal court under Defend Trade Secrets Act OF 2016 or state court under Oregon Trade Secrets Act (3 year SOL).



THANK YOU!

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