What You Wish You Had Known about IP Law Before You Invented Something

IEEE Santa Clara Valley Section
Startup Special Interest Group Webinar Series

- Patience Ren
- Clark Waldon

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Objectives

I. Overview of the Intellectual Property (IP) Fundamentals, including:
   A. Definition of IP
   B. Types of IP protection
      1) Patent
      2) Copyright
      3) Trademark
      4) Trade Secret
   C. Their Applications and Importance

II. Hypothetical Scenarios
Types of Property

Real Property

Personal Property

Intellectual Property

- Creations of the Mind
  - Branding
  - Invention
  - Content
  - Secret Formulas
Intellectual Property

- IP-intensive industries account for over **1/3 or 38.2%** of total United States GDP.
- IP accounts for **52%** of all U.S. merchandise exports – which amounts to nearly $842 billion.
- The direct and indirect economic impacts of innovation account for more than **40%** of U.S. economic growth and employment.
Why Protect Your Inventions (Property)

• Showcase your technology.
  o Fundraising.
  o Reputation / recognition.

• Minimize competition.

• Protect an area of research while you work on a prototype.

• Licensing revenue.

• Incentives for innovation and stimulating economic growth
# Types of Intellectual Property

<table>
<thead>
<tr>
<th>Intellectual Property Types</th>
<th>Protects</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patents</td>
<td>Inventions</td>
<td>Best mouse trap ever</td>
</tr>
<tr>
<td>Copyrights</td>
<td>Expressions</td>
<td>Your new novel</td>
</tr>
<tr>
<td>Trademarks</td>
<td>Source Identification</td>
<td>AirPods®</td>
</tr>
<tr>
<td>Trade Secrets</td>
<td>Secret Information with Commercial Value</td>
<td>[Image of Coca-Cola can]</td>
</tr>
</tbody>
</table>
# Patent

| **What** | Utility – new and useful process, machine, or composition of matter  
|          | Design – New and original ornamental design  
|          | Plant – asexually-produced new variety of plant |
| **Who / Whom** | Inventor / Owner |
| **How** | Right to Exclude Others from  
|          | Making  
|          | Using  
|          | Offering for sale or selling  
|          | Importing |
| **When** | 20 years from filing (utility/plant)  
|          | 15 years from issuance (design) |
| **Why** | Disclosure of invention in exchange for exclusive rights |
| **Notable Cases** | Apple v. Samsung  
|          | Rambus v. Nvidia |
Anatomy of a Patent

United States Patent

Jackson et al.

[54] METHOD AND MEANS FOR CREATING ANTI-GRAVITY ILLUSION

[75] Inventors: Michael J. Jackson, Los Angeles; Michael L. Bush; Dennis Tompkins, both of Hollywood, Calif.


[21] Appl. No.: 905,479

[22] Filed: Jun. 29, 1992

[51] Int. Cl\(^5\) .......................... A43B 5/00; A43B 3/00

[52] U.S. Cl. ................................. 36/113; 36/1;

36/136; 36/80; 36/132

[58] Field of Search ...................... 36/1, 80, 103, 113,

36/114, 131, 132, 136; 482/70, 71, 105

[56] References Cited

U.S. PATENT DOCUMENTS

1,059,284 4/1913 Dennis .......................... 36/114

2,114,790 4/1938 Venables .......................... 36/132

2,473,099 6/1949 Hatch .......................... 36/1

[57] ABSTRACT

A system for allowing a shoe wearer to lean forwardly beyond his center of gravity by virtue of wearing a specially designed pair of shoes which will engage with a hitch member movably projectable through a stage surface. The shoes have a specially designed heel slot which can be detachably engaged with the hitch member by simply sliding the shoe wearer's foot forward, thereby engaging with the hitch member.

13 Claims, 4 Drawing Sheets

• Specification
• Drawings
• Claims
I claim:
1. A system for engaging shoes with a hitch means to permit a person standing on a stage surface to lean forwardly beyond his or her center of gravity, comprising:
   at least one shoe having a heel with a first engagement means, said first engagement means comprising a recess .
   a second engagement means, detachably engageable with said first engagement means, comprising a hitch member . . .
Patentability Requirements

1. Utility
   • NO mathematical algorithm, law of nature, or mental step
   • Applied to an actual use.

2. Novel and Non-Obvious
   • Prior Art = references that are publicly available prior to the filing date.

3. Adequate Written Description
   • Demonstrates that you possess the claimed invention.

4. Adequate Enablement
   • Allows a person of ordinary skill in your field to reproduce or practice the invention.
### Patent Filings Strategy

<table>
<thead>
<tr>
<th></th>
<th>Provisional Patent Application (Utility / Plant)</th>
<th>Non-Provisional Patent Application</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose</strong></td>
<td>Holds your place in queue</td>
<td>To obtain an issuance (grant)</td>
</tr>
<tr>
<td><strong>Length of Time</strong></td>
<td>One year</td>
<td>20 years from filing</td>
</tr>
<tr>
<td><strong>Examination</strong></td>
<td>Not Examined</td>
<td>Examined by the Patent Office</td>
</tr>
<tr>
<td><strong>Claims</strong></td>
<td>Claims optional</td>
<td>Claims required</td>
</tr>
</tbody>
</table>

**Diagram:**
- **Provisional**
  - Within 1 year
- **Non-Provisional**
- **International Application**
  - Varies; 18 months
- **National Stage**
- **Issuance**
Bars to Patentability

Before the filing of your patent application:

1. Printed publication describing the invention
2. Public use of the invention.
3. An offer for sale (even a secret sale).
4. Another inventor filed the patent application on the same invention
5. Exceptions to 1-3:
   • Unless that activity is < 1 year old;
   • Involved the same subject matter; AND
   • Was derived from yourself or assigned to the same entity.
## COPYRIGHT

| What | • “original works” independently created by a human  
|      | • modicum of creativity  
|      | • expressions recorded in a medium |
| Who / Whom | Author / Owner |
| How | Rights to  
|      | • Reproduce  
|      | • Perform / Display  
|      | • Distribute copies  
|      | • Prepare derivatives |
| When | Author’s life + 70 years, generally |
| Notable Cases | • Google v. Oracle  
|      | • Arista Networks v. Cisco  
|      | • Apple v. Microsoft |

U.S. Copyright Office (copyright.gov)
# TRADEMARK

| What | Word, phrase, slogan, symbol, or design (or combo)  
|      | Sometimes – color, smell, sound, shapes  
|      | Serves to identify and distinguish a specific product/service from others in the marketplace. |
| Who / Whom | Business Owner / First to Use Trademark |
| How | Right to Exclude Others’ Use on Same Type of Goods/Services |
| When | For as long as trademark is in use |
| Why | Protect the authenticity of your brand, consumers |
| Notable Cases | Louis Vuitton v. Louis Vuiton Dak  
|               | Adidas AG v. ELEAGUE/Turney |
Trademarks in the U.S.

• Common Law vs. Federal Registration
  • Use in Commerce

• Choosing a Strong Brand Name
  • **Coined/Fanciful** - KODAK, STARBUCKS, REEBOK
  • **Arbitrary** - APPLE, JUUL, AMAZON
  • **Suggestive** - COPPERTONE, PLAYSKOOL
  • **Descriptive** – YELLOW PAGES, PARK ‘N FLY
    • **Secondary Meaning** – extensive/exclusive use
  • **Names** – Anyone can use their own name. MCDONALDS, DELL
  • **Generic** – APPLE, MILK, PET STORE
Trademark Filing

- **Establish rights** → Start Using, and Keep Using (Sr v. Jr)
- **File for Registration** (Online)
  - Description / Classes
  - In Use vs. Intent to Use Application
- **Specimen**
  - On Good/Tag
  - Advertising / Point of Sale
- International?
- **Office Actions**
Perks of Registered TM

• Constructive Notice to Public
• Legal Presumption of Ownership
• Exclusive Use
• File Lawsuit in Federal Court
• Obtain U.S. Customs and Border Protection to Prevent Imports
• Damages – Defendant’s Profits, Lost Profits (diverted sales), Reasonable Royalty, Attorney’s Fees (exceptional cases)
Use of Symbols

• **TM** or **™** - unregistered
• **®** - registered
Avoiding TM Litigation

- **Due Diligence**
  - Google search
  - Search on USPTO Trademark Electronic Search System (TESS)
- Phonetics
- Watch Out for Big Brands, Fashion
- Don’t send emails with examples of other brands
- “I didn’t know” – Not a Complete Defense
- **Comparative Advertising** – Use plain text for competitor name
Likelihood of Confusion

- Trademark Infringement = **Likelihood of Confusion by Consumers**
  - Strength of Mark
  - Proximity/Relatedness of Goods
  - Similarity of Marks
  - Evidence of Actual Confusion
  - Marketing Channels
  - Degree of Consumer Care
  - Defendant’s Intent
  - Likelihood of Expansion
<table>
<thead>
<tr>
<th>TRADE SECRET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What</strong></td>
</tr>
<tr>
<td><strong>Who / Whom</strong></td>
</tr>
<tr>
<td><strong>How</strong></td>
</tr>
<tr>
<td><strong>When</strong></td>
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<tr>
<td><strong>Why</strong></td>
</tr>
<tr>
<td><strong>Notable Cases</strong></td>
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<td></td>
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</tbody>
</table>
What Info Can Be Trade Secret?

- Supplier lists
- Customer lists
- Pricing Info
- Financial Data
- Product Formulas
- Manufacturing Processes
- Marketing Strategies
- Source Code
- **Not** General Knowledge in Industry
- **Not** Acquired Special Knowledge/Skills
Trade Secret Definition

- **“Secret”** – Not generally known or readily accessible
- **Commercial Value** Because of Secrecy
  - $$$ or Business Advantage
- **Reasonable Procedures** to Maintain Secrecy
  - Kept in Safe / Guarded
  - Encrypted / Password Protected / Network Security
  - Only accessible to employees who need info
    - Split up Info
  - CONFIDENTIAL
Losing Secrecy

• Disclosure by Employees to Competitors or Public
• Nonconfidential Disclosure by Company to Third Parties
• Independent Invention or Discovery
• Reverse Engineering (Watch for Patent Protection)
Non-Disclosure Agreements

• Agreement, not Handbook

• **All employees sign**

• Promise to protect the confidentiality of secret information that is disclosed during employment

• **Define “Confidential Information”**
  • “Reasonable particularity” = **Not too broad/vague**

• Gives you the ability to go after former employees, or the new company that poached them

• Can’t claim **“General know-how”**

• **Goal** – Keep an Enforceable Agreement
Famous Trade Secrets

- **Coca-Cola** – formula kept in guarded vault, only known to few
- **WD-40**
- **KFC**
- **Google Search Algorithm**
- **Twinkies** – recipe kept secret for other reasons
Trade Secret vs. Patent

- Not patentable in the first place

<table>
<thead>
<tr>
<th>Trade Secret</th>
<th>Patent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secret Forever</td>
<td>Must Disclose</td>
</tr>
<tr>
<td>Potentially Secret Forever</td>
<td>20 year term</td>
</tr>
<tr>
<td>• No longer protected once disclosed</td>
<td>• No matter what (unless invalidated)</td>
</tr>
<tr>
<td>No need to register</td>
<td>Must prosecute in applicable countries</td>
</tr>
<tr>
<td>Commercial Value</td>
<td>Novel, Nonobvious, Useful</td>
</tr>
</tbody>
</table>
Avoiding Trade Secret Misappropriation

• Acquisition, disclosure, or use of trade secrets through improper means
  • theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage
    • As employee – don’t take files/documents
    • As employer – don’t accept files/documents
      • Don’t ask someone to take files from former employer
      • Do make them agree they won’t/have not

• Free Competition; Talent

• Non-Competes in CA – Cannot restrain from lawful profession/trade/business
# Intellectual Property Summary

<table>
<thead>
<tr>
<th>IP Types</th>
<th>Patents</th>
<th>Copyrights</th>
<th>Trademarks</th>
<th>Trade Secrets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protects</td>
<td>useful invention</td>
<td>expressions</td>
<td>branding</td>
<td>intangibles</td>
</tr>
<tr>
<td>Rights to</td>
<td>exclude others from making . . .</td>
<td>use and exclude</td>
<td>use and exclude</td>
<td>use and exclude</td>
</tr>
<tr>
<td>Time frame</td>
<td>~ 20 years</td>
<td>~ author’s life + 70 years</td>
<td>as long as it is used</td>
<td>as long as it remains secret</td>
</tr>
<tr>
<td>Pros</td>
<td>• strong monopoly</td>
<td>• inexpensive</td>
<td>value needs to be built</td>
<td>• No need to be “patentable”</td>
</tr>
<tr>
<td></td>
<td>• willful infringers pay 3x damages</td>
<td>• simple registration</td>
<td></td>
<td>• no disclosure</td>
</tr>
<tr>
<td>Cons</td>
<td>• expensive</td>
<td>• protects only expression</td>
<td>subject to market volatility</td>
<td>• independent derivation</td>
</tr>
<tr>
<td></td>
<td>• short(er) duration</td>
<td></td>
<td></td>
<td>• protection</td>
</tr>
<tr>
<td></td>
<td>• public disclosure</td>
<td></td>
<td></td>
<td>• enforcement</td>
</tr>
<tr>
<td></td>
<td>• must be “patentable.”</td>
<td></td>
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</tr>
</tbody>
</table>

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- **Patents** protect useful inventions and useful articles. The rights granted by patents do not extend to natural phenomena, laws of nature, abstract ideas, or designs that are merely thegetPostural exercise of those rights, nor to any mere technique. The time frame is typically around 20 years from the date of filing. The process of obtaining a patent is relatively inexpensive and simple, and there are few requirements. However, patents are considered expensive with a short term, require public disclosure, and must be “patentable.”

- **Copyrights** protect original expressions. The rights granted by copyrights include the right to复制, distribute, display, and perform the copyrighted work, as well as the right to make derivative works. The rights are enjoyed for the lifetime of the author plus 70 years. Copyrights are inexpensive and offer simple registration, but the value needs to be built over time. Copyrights do not protect ideas or concepts.

- **Trademarks** are used to protect the branding or other indicators of source of a product or service. The rights granted by trademarks are enjoyed for as long as the trademark is used, and there is no need for the trademark to be “patentable.” Trademarks may be protected for independent derivation, and enforcement is a common issue.

- **Trade Secrets** are intangibles that are not disclosed to the public. The rights granted by trade secrets are enjoyed for as long as the secret remains secret. Trade secrets can be protected for independent derivation, and protection and enforcement are common issues.
Hypothetical No. 1

- Before you divulge an invention to a potential investor or any interested parties.
  1. Should you protect your invention? How? When to file or register?
  2. Who owns the invention or creation?
     a) Inventorship is a legal determination
     b) Not the same as co-author on a paper or supervisors
     c) In the context of patent, an inventor must contribute to the claimed invention
     a) Laboratory notebooks
     b) Source code versions
  4. Do you need a confidentiality or non-disclosure agreement?
Hypothetical No. 2

- When you are employed but considering working on an invention or starting a company.

1. Who owns the invention or creation?
   - a) Types of employment – full time, part time, contractors?
   - b) offer letter; company policies, employment agreement, etc.
   - c) assignment of intellectual property to employers
   - d) Work for hire
   - e) Same field? Non-compete requirements.

2. What and whose resources will you use on this work?

3. Evidence of clear demarcation of resources and knowledge
   - a) ☑️ Your personal knowledge or experience vs. ❌ company trade secrets
   - b) Ideally transition period only.
Hypothetical No. 3

- When you are considering partnering with a co-inventor or a non-inventor.

1. Should you protect your invention? How? When to file or register?
2. Who owns the invention or creation?
3. Retain evidence of inventorship? authorship? ownership?
   a) Oral and written agreements
   b) Emails are better than nothing.
4. Consider
   a) partnership or employment agreement.
   b) confidentiality agreement
   c) termination and exit options
Hypothetical No. 4

- When you are considering leaving a partnership or venture that had been trying to commercialize an invention.
Hypothetical No. 5

- When you receive a cease-and-desist letter.
Hypothetical No. 6

- When you discover that someone is using your invention without permission.
Resources

1. U.S. Patent and Trademark Office
   - www.uspto.gov

2. U.S. Copyright Office
   - www.copyright.gov

3. World Intellectual Property Organization

4. Patent Search
   - patents.google.com
   - patft.uspto.gov
   - worldwide.espacenet.com

5. Trademark Search
   - tmsearch.uspto.gov

6. Foreign Markets
   - www.stopfakes.gov
Additional Reading Materials

1. **Google v. Oracle.**
   - www.jdsupra.com/legalnews/google-v-oracle-scotus-sides-with-4450778/

2. **Patent Trolls**
   - www.shb.com/-/media/files/professionals/g/goldbergphil/stumpingpatenttrolls.pdf?la=en
   - https://hbr.org/2017/06/the-u-s-supreme-court-is-reining-in-patent-trolls-which-is-a-win-for-innovation