

Managing IP and IP Issues in a Technology Company

Presented April 1, 2022

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ACC Mountain West's Inaugural
Tech Law Symposium

-

Jeff Gunn & Andrew Baca

Intellectual Property (IP)

- Utility Patents
- Design Patents
- Trademarks
- Trade Dress
- Trade Secrets
- Copyright

Utility Patents

- Issued for the invention of a **new and useful process, machine, manufacture, or composition of matter**, or a new and useful improvement thereof, it generally permits its owner to **exclude others** from making, using, or selling the invention for a period of up to **twenty years from the date of patent application filing**, subject to the payment of maintenance fees.
- Approximately 90% of the patent documents issued by the USPTO in recent years have been utility patents, also referred to as "patents for invention"

Utility Patent – Example

- <https://patentimages.storage.googleapis.com/54/59/85/357587e84eaf57/US6185194.pdf>



US006185194B1

(12) **United States Patent**
Musk et al.

(10) **Patent No.:** US 6,185,194 B1
(45) **Date of Patent:** Feb. 6, 2001

(54) **SYSTEM AND METHOD FOR INITIATING A TELEPHONE CALL UTILIZING INTERNET INITIATION**

WO 97/22211 * 6/1997 (WO).

OTHER PUBLICATIONS

(75) Inventors: **Elon Musk**, Mountain View;
Aleksandar Dukic, Sunnyvale, both of CA (US)
(73) Assignee: **Zip2**, Mountain View, CA (US)
(*) Notice: Under 35 U.S.C. 154(b), the term of this patent shall be extended for 0 days.

Apr. 3, 1997 printout of web site: <http://www.sprint.com/web-to-phone/>.
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Apr. 3, 1997 printout of web site: <http://www.sprint.com/web-to-phone/apps.html>.

* cited by examiner

(21) Appl. No.: **08/989,844**
(22) Filed: **Dec. 12, 1997**

Primary Examiner—Ajit Patel
(74) *Attorney, Agent, or Firm—Townsend and Townsend and Crew LLP*

(51) **Int. Cl.**⁷ **H04L 12/16**; H04Q 11/00
(52) **U.S. Cl.** **370/260**; 370/352; 379/202
(58) **Field of Search** 370/259; 260-263; 370/351, 352-356; 379/201, 202-206; 455/414, 415, 416, 417

(57) ABSTRACT

A system and method for uniquely combining the best aspects of the Internet and the Public Switched Telephone Network for calling an entity displayed on a monitor. A user provides an input to the computer to initiate a call. The call request data is received at a Web site providing the display, and is relayed over the Internet to a call center. The call center establishes the desired phone connection over the Public Switched Telephone Network.

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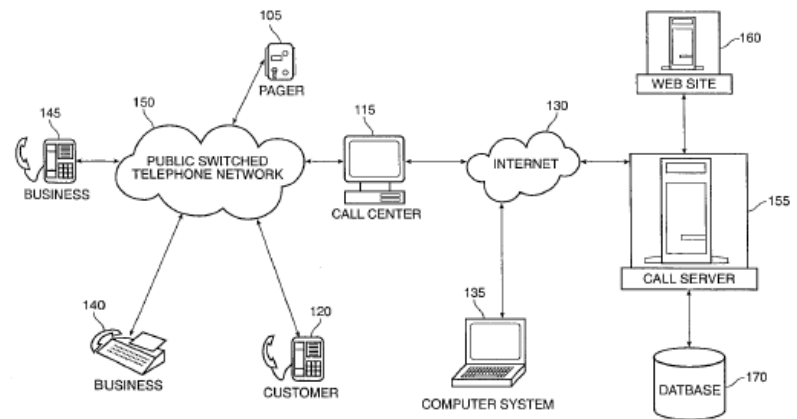
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29 Claims, 4 Drawing Sheets



Utility Patent – Example

What is claimed is:

1. A method of generating a telephone call, comprising:
 - receiving, from a Web site, call request data requesting a telephone call between a user and a destination;
 - selecting, from a plurality of geographically separate call centers, a call center having a lowest phone rate for the call request data by:
 - providing a map database;
 - determining latitude and longitude coordinates of the destination of said telephone call from the map database;
 - comparing the latitude and longitude coordinates to locations of the plurality of geographically separate call centers; and
 - comparing a call time for the plurality of geographically separate call centers to a call time charge database;
 - transmitting the call request data to the call center; and
 - initiating the telephone call from the call center using a Public Switched Telephone Network.

Design Patents

- Issued for a **new, original, and ornamental design** embodied in or applied to an **article of manufacture**, it permits its owner to **exclude others** from making, using, or selling the design.
- Design patents issued from applications filed on or after May 13, 2015 shall be granted for the term of **fifteen years** from the date of grant. Design patents issued from applications filed before May 13, 2015 shall be granted for the term of **fourteen years** from the date of grant. Design patents are **not subject to the payment of maintenance fees**.

Design Patent - Example

- <https://patentimages.storage.googleapis.com/eb/a0/78/f0e9cc235772fb/USD593087.pdf>



(12) **United States Design Patent** (10) **Patent No.:** **US D593,087 S**
Andre et al. (45) **Date of Patent:** **** May 26, 2009**

(54) **ELECTRONIC DEVICE**

(75) Inventors: **Bartley K. Andre**, Menlo Park, CA (US); **Daniel J. Coster**, San Francisco, CA (US); **Daniele De Iulius**, San Francisco, CA (US); **Richard P. Howarth**, San Francisco, CA (US); **Jonathan P. Ive**, San Francisco, CA (US); **Steve Jobs**, Palo Alto, CA (US); **Duncan Robert Kerr**, San Francisco, CA (US); **Shin Nishibori**, San Francisco, CA (US); **Matthew Dean Rohrbach**, San Francisco, CA (US); **Douglas B. Satzger**, Menlo Park, CA (US); **Calvin Q. Seid**, Palo Alto, CA (US); **Christopher J. Stringer**, Portola Valley, CA (US); **Eugene Antony Whang**, San Francisco, CA (US); **Rico Zorkendorfer**, San Francisco, CA (US)

(73) Assignee: **Apple Inc.**, Cupertino, CA (US)

(**) Term: **14 Years**

(21) Appl. No.: **29/282,833**

(22) Filed: **Jul. 30, 2007**

Related U.S. Application Data

(63) Continuation of application No. 29/270,880, filed on Jan. 5, 2007, now Pat. No. Des. 558,756.

(51) **LOC (9) CI.** **14-03**

(52) **U.S. CI.** **D14/341; D14/203.7; D14/138 G**

(58) **Field of Classification Search** **D14/137, D14/138, 147, 191, 218, 247-248, 341-347, D14/496, 138 R, 138 AA, 138 AB, 138 AC, D14/138 AD, 138 C, 138 G; D10/65, 78, D10/104; D13/168; D18/7; 455/556.1, 455/566, 575.1, 575.3; 345/169**

See application file for complete search history.

(56)

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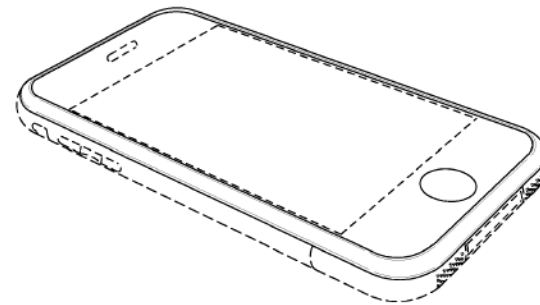


FIG. 1

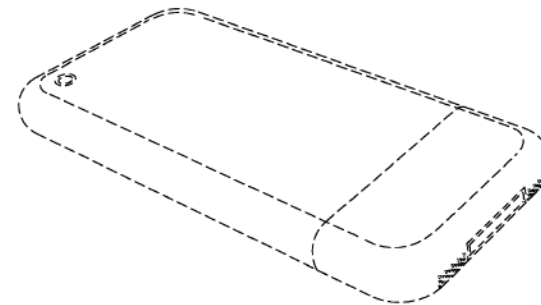


FIG. 2

Design Patent - Example

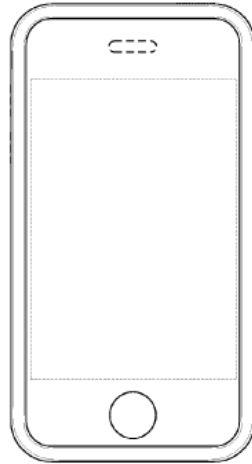


FIG. 3

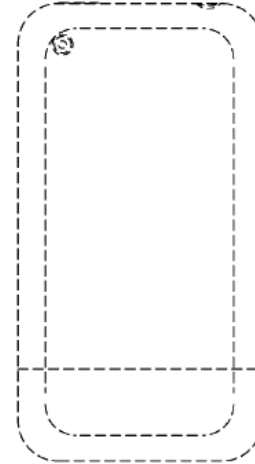


FIG. 4

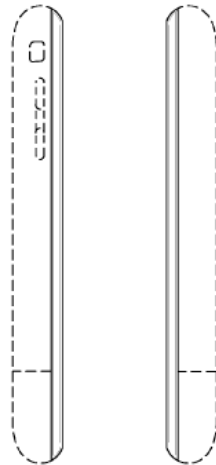


FIG. 7

FIG. 8



FIG. 5



FIG. 6

Trademarks

- A trademark can be any word, phrase, symbol, design, or a combination of these things that identifies the source of your goods or services. It's how customers recognize you in the marketplace and distinguish you from your competitors.
- The word “trademark” can refer to both trademarks and service marks. A **trademark is used for goods**, while a **service mark is used for services**.
- A trademark:
 - Identifies the source of your goods or services.
 - Provides legal protection for your brand.
 - Helps you guard against counterfeiting and fraud.

Trademarks - Examples

YAHOO!



BBC



Walmart



CNN



Coca-Cola

FedEx Corporation

Google



NOKIA
Connecting People

HONDA
The Power of Dreams



IBM



TOYOTA



Mercedes-Benz

Mobil



PUMA



Copyright

- Copyright is a type of intellectual property that protects **original works of authorship** as soon as an author **fixes** the work in a **tangible form of expression**.
 - Paintings
 - Photographs
 - Illustrations
 - Musical compositions
 - Sound recordings
 - Computer programs
 - Books
 - Poems
 - Blog posts
 - Movies
 - Architectural works
 - Plays

Copyright

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Printed by Presto Page, in the United States of America.

First printing, 2020.

Example Publisher
111 Address St.
City, State, 12345

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Trade Dress

- The design and shape of the materials in which a product is packaged. Product configuration, the design and shape of the product itself, may also be considered a form of trade dress.
- The Lanham Act protects trade dress if it serves the same source-identifying function as a trademark. It is possible to register trade dress as a trademark, but for practical reasons most trade dress and product configurations are protected without registration under 15 U.S.C. § 1125(a).

Trade Dress

In-N-Out v. Chadder's



Chadder's HAT TRICK Triple Meat / Triple Cheese	4.65		COKE Classic or Diet	LEMONADE
STUBBY DOUBLE Double Meat / Double Cheese	3.65		SPRITE	POWERADE
CHEESEBURGER	2.65		ROOT BEER	FRUIT PUNCH
HAMBURGER	2.15		DR PEPPER	ICED TEA
Fresh Cut FRENCH FRIES	1.99		FRESCA	VAULT
Chadder's Kids Meal <small>Whip up only</small> Hamburger Cheeseburger Grilled Cheese	3.99		SM MED LG XLG 1.39 1.69 1.89 2.09	
			SHAKES Choc / Straw/Vanilla 2.35	
			BEF & LEAF <small>No Extra Charge</small>	
			Chadder's MEATLESS WONDER <small>Chadder's Sauce, Tomatoes, Cucumbers, Lettuce, Onion, Cheese, on a Toasted Bun</small> 2.15	

DOUBLE-DOUBLE <small>Double Meat, Double Cheese</small>	\$4.35	Calories (without ice)				
	670 cal	Small	Medium	Large	X-Large	
CHEESEBURGER	\$3.00	COKE	170	250	370	520
	480 cal	DIET COKE	0	0	0	0
HAMBURGER	\$2.70	SEVEN UP	160	240	350	490
	390 cal	DR PEPPER	170	240	360	500
FRENCH FRIES	\$1.95	ROOT BEER	190	280	420	580
	370 cal	ICED TEA	0	0	0	0
		LEMONADE <small>Plain</small>	190	270	410	570
		LEMONADE <small>Apple</small>	10	15	20	25
		Sm \$1.65 Med \$1.75 Lg \$1.95 X-Lg \$2.15				
		SHAKES <small>Strawberry, Vanilla</small>	590 cal	\$2.55		
		MILK	180 cal	\$.99		
		HOT COCOA	130 cal	\$1.75		
		COFFEE	0 cal	\$1.25		
		Gift Cards Available				
		2,000 calories a day is used for general nutrition advice, but calorie needs vary. Additional nutritional information is available upon request.				

Trade Dress

In-N-Out v. Chadder's

- Deseret News Article dated June 30, 2007: <https://www.deseret.com/2007/6/30/20027499/in-n-out-wins-one-over-chadders>

“A burger battle was settled — for the moment — in court Friday when U.S. District Judge Ted Stewart issued a temporary restraining order against Chadders Restaurant in American Fork, ordering the food outlet to cease serving any product based on names protected by trademarks issued to In-N-Out Burgers, a California-based chain.

In-N-Out filed suit against Chadders in June, saying the restaurant was copying its competitor's menu, serving style, building layout and color scheme. In-N-Out has no outlets in Utah, but is located in 207 sites in California, Nevada and Arizona. Stewart's order did not address any of the disputed similarities other than the names of burger products.

In-N-Out claimed that a few customers had ordered and been served a Protein Style Burger, Animal Style Burger, 3 X 3 Burger, 4 X 4 Burger or Double Double Burger, although all of these names are protected by federally registered trademarks issued to the California chain. Servers filled the orders though none of those specific names are on the Chadders menu.”

Trade Secrets

- Governed by State Law
- The business ownership of a **formula, pattern, compilation, program, device, method, technique, or process** that provides a **competitive edge**.
- The law offers limited protection from **trade secret misappropriation**, which is the unauthorized disclosure and use of the confidential information.

Trade Secrets

Under the Uniform Trade Secrets Act (UTSA), a trade secret has three basic characteristics:

- It is secret.
- It confers a competitive advantage on its owner.
- It is subject to reasonable efforts to maintain its secrecy. What is reasonable is determined by a cost-benefit analysis that varies from case to case.

Copyright

- Copyright is a type of intellectual property that protects **original works of authorship** as soon as an author **fixes** the work in a **tangible form of expression**.
 - Paintings
 - Photographs
 - Illustrations
 - Musical compositions
 - Sound recordings
 - Computer programs
 - Books
 - Poems
 - Blog posts
 - Movies
 - Architectural works
 - Plays

Copyright

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Printed by Presto Page, in the United States of America.

First printing, 2020.

Example Publisher
111 Address St.
City, State, 12345

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Attention to IP Issues

- Your IP
(Employer/Client)
 - Need to Strategically Secure Robust Protection Considering the Needs of the Business while Balancing Costs and Benefits

- 3rd Party IP
(Competitors)
 - Avoid Infringing IP and Resulting Costly Litigation

IP Attitudes

- Is IP an Asset or an Expense?
- Depends! Know your client

Protection of Own IP

- Development of New Products/Services
 - Implement Invention Disclosure Processes (incentives?)
 - IP Gatekeeping in Project Management Process
 - IP Review Meetings (monthly/quarterly)
- New Service Offerings/Activities
- Business to Business Activities

Common Pitfalls

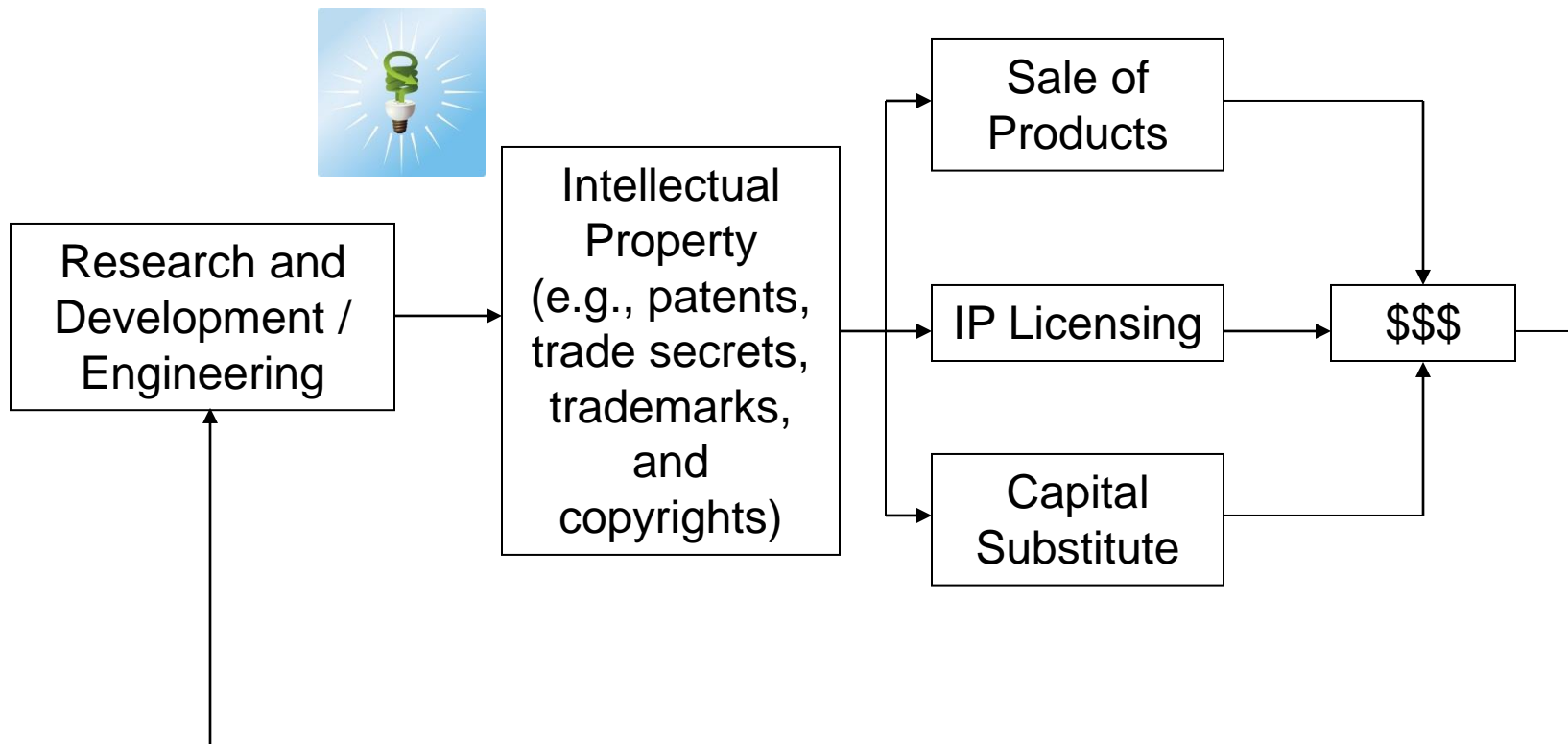
- Not identifying own IP
- Overprotection of own IP – e.g., excessive filings, especially in foreign jurisdictions
- Not identifying 3rd Party IP – Infringement
- Insufficient IP Due Diligence in Transactions

Receipt of Cease & Desist Letter

- Now what?
 - Litigation Hold
 - Investigate Infringement Allegations
 - Investigate Validity of IP
 - Investigate Potential Damages
- NPE (“Troll”) or PE (Competitor)?
 - Identify Plaintiff’s Objectives ASAP

Capturing inventions

IP as Part of Business Strategy



Capturing inventions

Early movers are rewarded – it's winner take all!

To play in a first to invent system, commercially valuable ideas must be captured well before they move from concept stage to products or services

Ideas that result from Research & Development may be early (compared to competitors), but commercial value is uncertain

Improvements to existing products from Recurring/Non-Recurring Engineering may be commercially valuable, but race against competitors to file patent applications

Must take some bad with the good

Capturing inventions

Patents are invented by *people* – not legal entities

“The inventor, or each individual who is a joint inventor of a claimed invention, in an application for patent (other than a provisional application) must execute an oath or declaration directed to the application” *Manual of Patent Examining Procedure* § 2109(I)

Common errors:

- Naming an individual who is not an inventor,
- Omitting an individual who IS an inventor.

Capturing inventions

Patents are invented by *people* – not legal entities

"The threshold question in determining inventorship is who conceived the invention. Unless a person contributes to the conception of the invention, he is not an inventor. ... Insofar as defining an inventor is concerned, reduction to practice, *per se*, is irrelevant [except for simultaneous conception and reduction to practice, ... One must contribute to the conception to be an inventor." *Manual of Patent Examining Procedure* § 2109(II)

Capturing inventions

Inventions can have multiple inventors – Joint Inventorship

Joint inventors have equal rights in the invention unless assigned by agreement or law

Within the same company:

- typically the company owns and controls the patent application (proprietary invention agreement)
- shared internal credit

With different companies:

- Examples
 - Supplier/Customer
 - Co-sponsors
 - Employee/Consultant

Capturing inventions

Inventions can have multiple inventors – Joint Inventorship

Joint inventors have equal rights in the invention unless assigned by agreement or law

- Rights can be divided up/assigned via IP provisions of agreements
 - Assign over everything
 - Divide up rights via IP provisions of agreements
 - Agree about a process for prosecution (practicality is important)

Capturing inventions

Process for capturing inventions is important

Most companies with dedicated budgets for IP use invention disclosure documents.

A form easily available to all employees that asks for:

- A description of the invention
- Names, addresses and citizenships of inventors
- Date first conceived
- Date first disclosed outside the company and whether pursuant to an NDA
- Planned date to first offer in a product or service
- Pictures!

Capturing inventions

Commercially valuable patents are the goal – but must take bad with the good

Not all invention disclosures will describe commercially valuable ideas, so need a way to analyze and triage → Patent Review Committee!

Patent review committee tries to balance strategy, potential value, and cost

Patent review committee is a group of stakeholders collectively knowledgeable about:

- Business strategy
- Product roadmap
- Customers
- Engineering projects across the company

Capturing inventions

Commercially valuable patents are the goal – but must take bad with the good

Patent review committee provides some practical value:

- Promotes cooperation and information sharing between different groups in the company
- Provides some insight into what people are actually doing
 - Key personnel aren't submitting invention disclosures? Hmmmmm.

Many companies offer reward for submitting Invention Disclosure Documents that are approved (typically cash or stock)

Managing Process

Budget in advance so there are no surprises

Costs typically include:

- Drafting and filing by a patent attorney
- Government fees
- Back and forth with the Patent Authority (“prosecution”)
- More government fees called

Overhead to manage IP assets and interface with outside counsel

What drives up costs?

- Ill defined ideas
- Filing in more than one country

Managing Process

Budget in advance so there are no surprises

If a patent application takes the typical 3.5 years to issue as a patent and is maintained for its full life then that is **a long term commitment (spread out over the life of the patent) in outside counsel and governmental fees as well as overhead to manage and maintain internally**

Managing Process

Working with outside counsel is all about communication, communication, communication

Because IP follows strategy, outside counsel cannot operate in the dark. Must be cooperative.

Teleconferences and video conferences are extremely helpful and cut down on aimless wandering

Internal points of contact to receive reports and requests from outside counsel – not just an email inbox!

Consider billing and process guidelines to cut down on questions (like having an FAQ)