



201:Basic IP Issues for Taking Your Product to Market

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Faculty Biographies

Philip J. Gordon

Philip J. Gordon is the chief legal officer of Stratford Management, Inc. in Boston, providing legal counsel to the organization and its board of directors, managing outside counsel, and formulating long term strategy.

Prior to joining Stratford Management, Mr. Gordon served as the chief legal officer and executive vice president of GenuOne, Inc., directing the company's legal affairs and long-term strategic planning activities since its formation. Prior to joining GenuOne, Inc., Mr. Gordon was a member of the corporate department at Hale and Dorr, LLP and served as a judicial law clerk to Justice Charles Fried of the Supreme Judicial Court of Massachusetts.

Mr. Gordon serves as pro bono counsel to Each One Reach One, Inc., and Full Circle: A Journal of Poetry and Prose. He is also on the board of directors of the Combined Jewish Philanthropies of Greater Boston, and serves as the chair of hockey for the 2004 Maccabi Games. In 1997, Mr. Gordon received the Outstanding Alumnus Award from Suffolk University Law School. Mr. Gordon is a frequent lecturer and author on securities matters and counterfeiting.

Mr. Gordon earned his BA at Bowdoin College and his JD from Suffolk University Law School. He graduated Suffolk, cum laude, served as technical editor of the *Suffolk University Law Review*, and was a member of the Phillip C. Jessup International Moot Court Team, which won the Northeast Law Schools Regional Championship.

John W. Hogan, Jr.

John W. Hogan, Jr. is patent counsel for Wyeth (formerly American Home Products Corporation) in Madison, New Jersey. His responsibilities include varied aspects of U.S. and international patent practice concentrating on prosecution, opinion, licensing, and counseling in the pharmaceutical area.

He was senior patent attorney for American Cyanamid Company prior to its merger with American Home Products Corporation, working with the agricultural group.

He currently serves as the vice chair of ACC's Intellectual Property Committee and is a member of the AIPLA and NJIPLA.

Mr. Hogan received his BS from the Pennsylvania State University and JD from Franklin Pierce Law Center in Concord, New Hampshire.


Robert M. Owskiak

Robert M. Owskiak was vice president and first general counsel of DataDirect Technologies until the completion of the sale of DataDirect to Progress Software Corporation for \$88M. His responsibilities included international corporate governance, mergers and acquisitions, the intellectual property portfolio, litigation, employment law, real estate leases, and software licensing. Mr. Owskiak served as director or secretary to various international corporate entities.

Prior to joining DataDirect, Mr. Owskiak served as corporate counsel for MERANT (formerly MicroFocus and INTERSOLV, now Serena Software). His responsibilities included managing worldwide litigation matters, mergers and acquisitions (including the sale of DataDirect for \$28M and MicroFocus for \$68M to Golden Gate Capital), corporate disclosures, international employment matters, and software licensing. MERANT was recently purchased by Serena Software and traded on both the Nasdaq and London stock exchanges.

Mr. Owskiak is a member of the intellectual property forum, is a member of ACC, and is active in the Washington Metropolitan Chapter and in WMACCA's pro bono committee.

Mr. Owskiak received his BA from Fordham University in New York and is a graduate of Oklahoma City University School of Law.




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What is a Trademark?

- A word, phrase, symbol, design, or other indicia that identify and distinguish your company's goods or services from those of another
- Distinctive source of origin identifier

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What Can Be a Trademark?

- Words
- Numbers
- Symbols
- Devices/Designs
- Slogans
- Trade Dress and Shape
- Colors/Sounds/Scents/Texture

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Trademark Categories

- Trademark
- Service Mark - Hertz
- Trade Dress
- Collective Mark - ILGWU
- Certification Mark – Good Housekeeping Seal

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Trademark Classes

- **Fanciful** – invented words (Rolex, Exxon, K-Mart)
- **Arbitrary** – common words in an unusual context (Camel cigarettes, Ivory soap, Apple computers)
- **Suggestive** – requires imagination rather than descriptive (Coppertone, Uncola)
- **Descriptive*** – of characteristics, ingredients, quality, purpose (McDonald's)
- **Generic** – can never be a mark

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Trademark Strength

- **Strongest – inherently distinctive**
 - Fanciful
 - Arbitrary
 - Suggestive
- **Strength over time through acquired secondary meaning**
 - Descriptive
- **Unprotectable**
 - Generic – or became generic (Thermos, Aspirin, Escalator)

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Develop Your Trademark Strategy

- Considerations
 - Financial
 - Geographic
 - Classification (40)
 - **Trade Dress**
 - Longevity
 - Registration types

Conducting a Trademark Search

- Search for conflicting prior use
 - US Patent and Trademark Office
 - World wide web (also check domain names)
 - State trademark databases (and Secretary of State filings)
 - Search firms like Thomson & Thomson
 - Outside IP counsel



Federal Trademark Registration

- Registration is not required (*automatic*)
- Application Processes (TEAS)
 - Conduct the TM search
 - Download and complete the application
 - Pay the filing fee (\$335 per class)
 - Remit a specimen
- Principal v. Supplemental Register

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Federal Registration Advantages

- Constructive notice to the public ®
- Presumption of validity
- Exclusive right to use in nationwide commerce
- Ability to bring an action in federal court
- Ability to file with Customs to prevent importation of infringing goods
- “Incontestable” after 5 years
- Registration is for 10 years, renewable indefinitely (unless abandoned or mark becomes generic)

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Trademark Use and Enforcement

Proper usage and marking maintains ownership

- TM or SM any time you claim rights
- ® only after USPTO actually registers a mark, not while application is pending
- Always provide appropriate attribution - internal use is discoverable
- Always use mark as an adjective/adverb, not as a noun or verb, or plural or possessive
- Do not abbreviate and create acronyms

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Trademark Infringement

- Monitoring third parties
- Look out for competing products
- Likelihood of confusion
- 'Nature and inquiry' v. 'Cease and desist' letters
- Coexistence agreements
- Licensing opportunities

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Trademark Reference Materials

- Glossary of Terms
- DOs and DON'Ts
- Resource List
- Important Cases

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Trademark Glossary of Terms

- **Dilution** – A trademark doctrine protecting strong marks against use by other parties even where there is no competition or likelihood of confusion. Concept is most applicable where subsequent user used the trademark of prior user for a product so dissimilar from the product of the prior user and there is no likelihood of confusion of the products or sources, but where the use of the trademark by the subsequent user will lessen uniqueness of the prior user's mark with the possible future result that a strong mark may become a weak mark.
- **Likelihood of Confusion** – Touchstone of trademark infringement under the Lanham Trade-Mark Act is "likelihood of confusion," or whether substantial number of ordinarily prudent purchasers are likely to be misled or confused as to source of different product. Factors to be considered are the degree of resemblance between the marks in appearance, pronunciation, translation and suggestiveness, the intent of the second user in adopting the allegedly infringing mark, similarity of circumstances and conditions surrounding the purchase of the goods involved and the degree of care likely to be exercised by purchasers.
- **Secondary Meaning** – Some words or other devices used as trademarks may not be distinctive when first adopted, but may acquire distinctiveness over time. When such a mark has come to signify that an item is produced or sponsored by a particular merchant it is said that the mark has secondary meaning. Types of marks requiring secondary meaning before they will be protected include (1) descriptive and misdescriptive terms; (2) geographically descriptive and misdescriptive terms; and (3) surnames. Under the Lanham Act, five years of exclusive use of a mark is deemed prima facie evidence of secondary meaning.
- **Trade Dress** – The total appearance and image of a product, including features such as size, texture, shape, color or color combinations, graphics, and even particular advertising and marketing techniques used to promote its sale.

West 1990.

Black's Law Dictionary, 6th ed.

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Trademark DOs

- Train your company employees on IP
- Create and maintain usage manuals and guidelines
- Secure employment, consulting, separation, and confidentiality agreements
- Maintain your IP docket & due diligence checklist
- Evaluate intellectual property insurance coverage
- Consider international protection – Madrid Protocol

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Trademark DOs

- Ensure your specimens are in commercial use as registered
- Draft license agreements with IP in mind
- File in US and other major countries of use
- Monitor and enforce your IP rights against third parties
- Consult experienced IP counsel (esp. on rejections)
- Conduct IP due diligence on acquisitions and IP audits
- **Select the most protectable marks**

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Trademark DON'Ts

- Register trademarks in an individual's name
- Confuse goods and services – *this distinction determines your enforcement rights*
- Have the wrong people sign the registration
- Confuse the date of first use

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Trademark Resource List

- Trade associations – ACC, AIPLA, INTA, IPO
- Statutes and administrative agencies –
15 USCS 1051, www.uspto.gov
- Legal reference materials – Lexis-Nexis, FindLaw
- IP law firms – Register for free newsletters
- Treatises – McCarthy on Trademarks
- Trademark blogs

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Notable Trademark Cases

- Victor Moseley and Cathy Moseley, DBA Victor's Little Secret v. Secret Catalogue, Inc., Et Al., 537 U.S. 418 March 4, 2003.
- Cooper Industries, Inc. v. Leatherman Tool Group, Inc., 532 U.S. 424 May 14, 2001.
- Traffix Devices, Inc., v. Marketing Displays, Inc., 532 U.S. 23 March 20, 2001.
- Walmart Stores, Inc. v. Samara Brothers, Inc., 529 U.S. 205, March 22, 2000.
- Qualitex Company v. Jacobsen Products Company, 514 U.S. 159, March 28, 1995.

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The Copyright Act

- 17 U.S.C.102(a) grants copyright protection to “original works of authorship fixed in any tangible medium of expression...”
- “original”
- “fixed”

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Scope of Protection

- **8 classes of works** – literary, musical, dramatic, choreographic, pictorial, audio visual, sound recordings, architectural
- **NOT** facts, ideas, procedures, processes, systems, methods of operation, concepts, principals, discoveries **ONLY** their expression

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Time Frame

- Life of author plus 70 years
- Corporate works: 95 years from first publication / 120 years from date of creation, whichever expires first
- Then becomes part of public domain

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Ownership

- Original author
- Work-for-hire
- Licenses
- Assignments/Bequests
- Security Interests

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Derivative Works & Compilations

- **Derivative Works** – need a minimal level of creativity for protection of your additions
- **Compilations** – arrangement and organization can be protected

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Control Rights

- Reproduction
- Modification
- Distribution

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Fair Use

- Purpose and Character of Use
 - Commercial
 - Transforming vs. retransmission
- How creative was original work?
- Amount of copying
- Effect on market for original work

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Other Issues

- Digital Millennium Copyright Act (DMCA)
- Licensing
- Buying and Selling
- Perfecting a Security Interest
- Copyright Notice
- Vicarious Liability for 3-P Infringement
- International Protection

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Definitions & Attributes

Trade Secret

Means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

- (i) derives independent economic value, actual or potential, from not being generally known to, and

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not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and

(ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Uniform Trade Secret Act, Section 1

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Definitions & Attributes Trade Secret

- State Law (UTSA, tort)
- No expiration date
- No protection from independent discovery
- Must be kept secret
- May be patentable, but not required

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Definitions & Attributes Patent

A patent is:

A grant from the Federal Government which gives the patent owner an exclusive right to prevent others from making; using; or selling the patented invention.

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Definitions & Attributes Patent

- .Federal Law
- .Limited duration (generally 20 years)
- .Provides protection from independent discovery
- .Must be disclosed in order to receive
- .Must be patentable (new, useful, unobvious)

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Trade Secret Considerations Confidentiality

Loss of trade secret by
unprotected disclosure.
Generally, must actively maintain
its confidentiality. Examples:

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(continued)

- Put employees on notice
- Post cautionary signs or document legends
- Restrict visitors
- Divide process into steps
- Use unnamed or coded ingredients
- Lock up secret documents

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Trade Secret Considerations Reverse Engineering

Competitors are entitled to buy your product and analyze it in detail in an attempt to copy it.

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Trade Secret Considerations Reverse Engineering

Will putting the hypothetical product on the market disclose the trade secret?

If yes, trade secret protection may not be the best protection.

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Patent Considerations Timeline

- Patents take time to grant (3-5+ years)
- Published after 18 months

- When is product launch planned?

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Patent Considerations Timeline

- Consider whether your product will be obsolete before the patent is granted.
- Provisional application or non-provisional application.

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Patent Considerations

Drafting the application/Scope of Claims

Provisional Rights

- available for applications filed on or after November 29, 2000
- must be published application
- must provide actual notice
- claims “substantially identical” in published application & granted patent.
- reasonable royalty

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Patent Considerations

Drafting the Application/Scope of Claims

Literal Infringement vs. Doctrine of Equivalents

- Is D.O.E. D.O.A.?
- vary scope of claims
- try to “design around” claims and redraft

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Patent Considerations Filing the Application - Publication

- U.S. applications filed after November 29, 2000 published after 18 months

Except

- provisionals
- abandoned applications
- applications under secrecy order
- design applications
- re-issues
- request not to publish*

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Patent Considerations Filing the Application - Publication

Request Not to Publish

- invention has not and will not be filed in another country which publishes.
- CAREFUL - must notify PTO within 45 days if subsequently filed in another country or application will become **abandoned**.
- May be rescinded at any time.

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Publication

Critical Decisions

- whether to publish (US only filed applications)
- whether to request early publication
- the claims to initially present
- whether to request republication after amendment

Practice Tip - Forget Redacted Publication



International Rights - Patent

- Requirements vary
- enforceability varies
- PCT



Patent Marking - U.S.

- Provides constructive notice
- Not required
- Applies to articles (not method patents)
- Benefit may be able to recover pre-filing damages
- Cost - must comply with statute:
 - consistent
 - licensees
 - no mismarking

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Patent Marking - International

- Many countries - no benefit
- May provide some benefit in GB, Ireland, New Zealand, Singapore, South Africa, Venezuela, Philippines, Taiwan.

(not exhaustive list)

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Conclusion

- Patent
- Trademark
- Copyright

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**Questions
and
Comments**

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