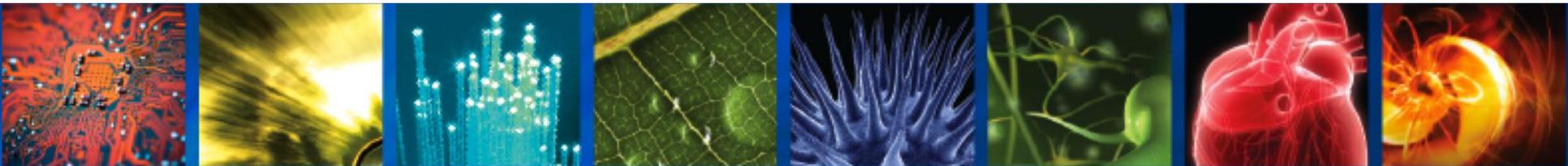


Class 1: Intellectual Property and Your Startup

TVE2 IP Series

Thursday, February 28, 2013

Russell Jeide & Scott Cromar

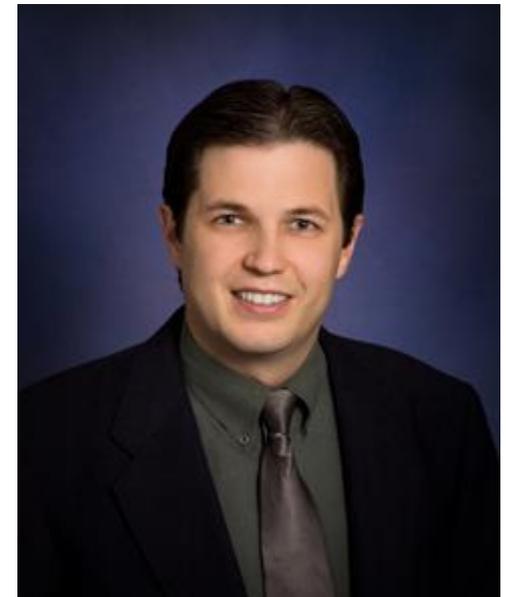


TVE2 Intellectual Property (IP) Series

- **Class 1:** "What intellectual property is, and why it may be important to your startup"
- **Class 2:** "How to enter the patent world strategically and economically"
- **Class 3:** "How to file for a patent"
- **Class 4:** "The meaning of patent infringement and patent litigation"
- **Class 5:** "How to use copyrights, trademarks, and trade secrets to your advantage"
- **Class 6:** TBA (probably continuation of Class 5)

Russell Jeide

- Patent Attorney for 12 years
- Partner at Knobbe Martens
- B.S. Electronics Engineering Technology
- Specializes in patent prosecution, legal opinion work, and licensing
- Experience in telecommunication systems, computer architecture, computer software, Internet business methods, and mechanical devices



Scott Cromar

- Patent Agent for 3 years; Patent Attorney for 1
- Associate at Knobbe Martens
- B.S. Electrical Engineering; M.S. Electrical and Computer Engineering
- Specializes in IP counseling and patent preparation and prosecution
- Experience with software, computers, electronics, and semiconductors



Disclaimer

- **This presentation is for information purposes only and does not constitute legal advice.**
- **This presentation does not establish any form of attorney-client relationship.**

Today:

- What Is IP?
- Quick Overview of the Primary Types Of IP
 - Copyrights, Trademarks, Trade Secrets
 - Utility & Design Patents
- Why File for a Patent?
- Evaluating the Importance of IP to Your Startup
- IP Hygiene

What Is Intellectual Property (IP)?

Intellectual Property (IP)

- Refers to a category of exclusive rights created by statute, including:
 - Copyrights
 - Trademarks
 - Trade Secrets
 - Utility Patents
 - Design Patents
- Others: Trade Dress, Mask Works, ...

Nature of the Exclusive Right

- Typically the right to exclude or prevent someone from doing something
- Usually req. gov't registration; Enforce it in court
- As business tools:
 - **Copyrights:** protect content; expression
 - **Trademarks:** enhance marketing strategies
 - **Trade Secrets:** keep proprietary info confidential
 - **Patents:** obtain exclusivity in your market niche
 - **Utility:** functionality; **Design:** appearance

Quick Overview of the Primary Types of IP

Copyrights

- **Tools for protecting content**
- Provided to authors of “original works of authorship”
- Exclusive right to a work of expression, such as a written story, a photograph, or a computer program
- Not for things that are functional (that’s utility patents)
- Protection lasts for a very long time
 - 70 years after death; 95+ years for corporate author

Copyrights

- No registration necessary, it's automatic!
- Mark to provide notice:

© 2012 Company Name
All Rights Reserved

- Register with copyright office to sue

Trademarks

- **Tools that can greatly enhance marketing strategies**
- Is any symbol capable of identifying and distinguishing its owner's products from those of others



Trademarks

- Protects consumer from counterfeit goods
- Lasts as long as you continue using it
- Standard of infringement: “consumer confusion”
- How to get a trademark?
 - Start marking sold goodsTM – common law
 - For ® - register with USPTO

Search before you invest!

Trade Secrets

- Tools for keeping proprietary information confidential
- Just keeping it secret
 - NDAs, confidentiality agreements
- Make sure you can keep it secret!
 - Once the cat is out of the bag...

Patents

- **Tools that help you obtain exclusivity in your market niche**
- Right to exclude others from practicing your invention
 - Not a right to use, make, or sell
 - You may still infringe others' patents
- Two types:
 - **Utility Patent:** protect functionality (how it works)
 - **Design Patent:** protect ornamental appearance

Utility Patents

- Protection for functionality, how something works
- Invention must be **useful** and **novel** and **nonobvious** (e.g., not an obvious variation on something)
- Examined by USPTO
- Last for 20 years from date of priority (usually the filing date)
- Takes 3-5 years to issue typically, but...
 - Faster tracks available for a fee
- **Example**

Design Patents

- Protect ornamental appearance of an industrial article
- Must be **novel** and **nonobvious** (i.e., not an obvious variation on something)
- Examined by USPTO, but issue quickly
- Lasts 14 years (soon to be 15 years)
- Differ from copyrights
 - Different standards for grant and infringement (independent creation not an issue)
 - Presumption of validity
- **Example**

Side Note: Provisional Patent Applications

- An inexpensive, informal filing at USPTO
- Not examined
- Kept secret
- Turn into regular application within a year
- Gets you a priority date

Why File for a Patent?

Why File for a Patent?

- **Attract Capital**
- **Licensing Revenue**
- **Enhance Company Value**
- **Reduce Likelihood/Impact of Employee Theft**
- **Stop Competition**
- **Protect Your Niche By Excluding Competition**
 - Stop others from making, using, selling, importing
- **Support Sales**
 - After filing = “Patent Pending”

Evaluating the Importance of IP to Your Startup (or Business)

Considerations

- Your budget
 - Early stage = provisional application (usually)
- Your technology area
 - Ease of copying
 - Types of protection available
- Speed of innovation
- Who are your customers?
 - TM may be more valuable if selling directly to consumers
- Where are your customers?

IP Hygiene

Protect Your Company's Value

- Establish a legal entity
 - Iron out partnership/corporate agreement
- **Searching** (much more on this in coming months)
 - Name: not trademarked
 - Product: Freedom to Operate

Protect Your Technology

- **Myth:** I paid for it, therefore I own it.
- Employee Agreements & IP Assignments/Licenses
- NDAs & Confidentiality Agreements
- Independent Consultant Agreements
- Patents vs. Trade Secrets

Beware – Bar Dates – First-to-File

- AIA changes the game a little on March 16, 2013
 - First to file generally entitled to patent
 - Uncertain 1 year grace period for filing in U.S.
- If you disclose your invention before filing...
 - Lose all foreign rights
 - Maybe lose U.S. rights
- Best course of action = file before you disclose

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Orange County



San Diego



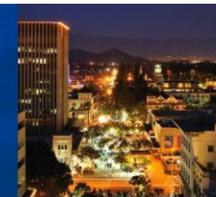
San Francisco



Silicon Valley



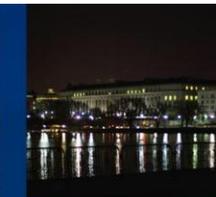
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