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TENNESSEE

FOCUS

Q3 2019



In this issue we are pleased to hear from ACC TN's three branches in the East! - The Scenic City, the Queen City of the Mountains and the Tri-Cities!

Brad Hendrix, Assoc. Counsel Mgmt., CBL Properties, East TN Director at Large, Chattanooga

Greetings from the *Scenic City*.

Compared to our sister branches in Nashville, Memphis, and Knoxville, the Chattanooga Branch is relatively new to the ACC-TN. We launched in March of 2018, and we have been going strong ever since, led by our Leadership Team of Jay Elliott (Kenco), Darby Gooding (Shaw), Joy Cecil (US Xpress), Alison Shaw (Erlanger), Alicia Oliver Brown (Blue Cross Blue Shield of Tennessee), Charles Sereebutra (CBL Properties), and myself. The Leadership Team is responsible for developing Branch programming and for membership outreach, and they have done an outstanding job.

This summer alone the Leadership Team produced four events.

We started the summer season on May 18th with an event sponsored by the law firm of Miller Martin on *Conducting Effective Workplace Investigations while maintaining the Attorney Client Privilege* (speakers – Chuck Lee and our own Jay Elliott). We then visited the law firm of Husch Blackwell on July 18th to cover the topic of *Legal Tech Ethics* (presented by Mike Alston and Samantha Lunn). On August 27th, we returned to Miller Martin for a presentation on the *Cyber Crime Wave* (presented by Chris Swecker and Leah Gerbitz), and we finished the summer season on September 12th at the law firm of Chambliss Bahner & Stophel where Doug Griswold & Laura McKinney presented on *Navigating an M&A Transaction with Outside Counsel*.

In the fall we have several other events planned. On October 17th, we will return to Husch Blackwell to cover *Real Estate Transactions* (commercial leases), and then on November 14th, we will visit Miller Martin for a presentation on *Tech Contracts*. We will finish the year in December with our (now annual) *Christmas Party* (details to be announced soon).

Of course, we are already planning for 2020, so stay tuned.

If you have questions about the Chattanooga Branch or would like the materials from any of our events, please feel free to reach out - brad.hendrix@cblproperties.com.



Robbie Pope, Real Estate Counsel, Regal Entertainment Group, East TN Director at Large, Knoxville (Robbie was recently elected to the office of VP—East TN)

The “Knoxville Branch” of the East Tennessee Region of the Association of Corporate Counsel of Tennessee has been engaged in providing CLE programming and networking opportunities for East Tennessee’s in-house counsel community since September, 2013, when Justin Martin & Robbie Pope began courting the first program sponsor for the ET region and started reaching out to East Tennessee’s historically underserved ACC membership and other in-house counsel about participat-

ing. The first program was held in April, 2014 at Ruth's Chris in Knoxville with several dozen ACC members and prospective members in attendance for a multi-hour CLE program and dinner provided by Thomson Reuters. Since those early days, we have had dozens of quality CLE programs sponsored and conducted by local, regional and national law firms and service providers and we have welcomed visiting ACC members from Chattanooga, Tri-Cities, Nashville and Memphis for conversation and fellowship. Our regular programs are held at Cherokee Country Club in Knoxville on the second Tuesday of each month, with occasional deviations for special events or programs. If you're going to be in Knoxville, please feel free to come join us ... we'd love to have any ACC-TN members or prospective members in attendance.



**Tammye Taylor, Senior Counsel, Intellectual Property,
Eastman Chemical, East TN Director at Large, Kingsport**

One of the goals of the ACC TN program committee this past year was to offer member benefits to the Tri-Cities members of the chapter. We started out small by planning two programs in 2019. The first program was held in May and was sponsored by Butler Snow. We had great attendance and members were interested in

having another program. We will hold the second program this fall. If you have program topic ideas and are interested in helping plan future programs in this area of the state, please contact Executive Director, Melanie Gober Grand at acctennessee@accglobal.com.

Three - Star Partner Legility will sponsor a lunch CLE program and networking opportunity for East Tennessee's in-house counsel community on November 5, 2019 at the Eastman Corporate Business Center. Ron Tienzo, Legility Solutions Architect, will discuss *How to Meet Discovery Obligations with Today's Technology*. If you're going to be in Kingsport, please register to attend. We would love to have all ACC-TN members from the area and prospective members in attendance!

Are you attending the ACC Annual Meeting in Phoenix?

Plan to stop in and have a drink with other ACC TN chapter members!

**Monday, October 28th
5 pm—7 pm**

**Lustre Rooftop Bar
Kimpton Palomar Hotel
2 E Jefferson St.**

Chapter Leadership

Stephen Cavezza, President
North American Petcare at Mars
Senior Legal Counsel

Scott Ellis, President Elect
CoreCivic, Inc.
Senior Director, Contract Compliance

Robbie Pope, Vice President, East TN
Regal Entertainment Group
Real Estate Counsel

Peter Malanchuk, Vice President, Middle TN
Bridgestone Americas, Inc.
Sr. Counsel Labor & Employment

Meredith Wooten, Vice President, West TN
Vero Business Capital
General Counsel

Allison Cotton, Secretary
Community Health Systems
Employment Counsel

Gulam Zade, Treasurer
LOGICFORCE
CEO

Justin Martin, Immediate Past President
Electric Power Research Institute
Associate General Counsel

Board of Directors

East Tennessee

Stephanie Bauer Daniel
Fifth Third Bank
Vice President and
Associate General Counsel

Brad Hendrix
CBL & Associates Properties, Inc.
Associate Counsel—Management

Tammye Taylor
Eastman Chemical
Senior Counsel, Intellectual Property

Middle Tennessee

April Berman
Asurion
Senior Vice President and
Deputy General Counsel

Hunter Kitchens
Premier Parking
Vice President & General Counsel

Scott Lynn
Ryman Hospitality Properties, Inc.
Associate General Counsel

West Tennessee

David Billions
Fed Express
Managing Director—Litigation

David Chambers
Smith & Nephew
Senior Intellectual Property Counsel

Micki Murray
Medtronic
IP Counsel

Executive Director
Melanie Gober Grand

Chapter Administrator
Emily Johannsen

ACC TN

First Statewide Program

Friday afternoon, December 13th

Mini MBA in Half a Day

Belmont University College of Law

General and Dual CLE Credits

Followed by a Sponsor and Member
Appreciation Cocktail Dinner/Casino Night
at The Thompson Nashville Hotel

Registration information coming soon!

2019-2020 Board Members



April Berman (Director at Large – Middle) is Senior Vice President and Deputy General Counsel for Asurion in Nashville. Previously, April was an attorney at Baker Donelson and Dinsmore & Shohl. April received her law degree from the University of Tennessee (2000) and her undergraduate degree in English and Political Science from the University of Tennessee at Chattanooga (1997). April joined the board in 2018.



David Billions (Director at Large – West) is Managing Director – Litigation at Federal Express in Memphis. Previously, David held various in-house positions with Federal Express, and was an attorney at Rossie, Luckett, Parker & Ridder. He received his law degree from the University of Memphis (1999) and his undergraduate degree in English from the University of Georgia (1994). David joined the board in 2018.



Steve Cavezza (President) is Senior Legal Counsel, North American Petcare at Mars in Nashville. Steve's prior in-house experience includes service with American Blue Ribbon Holdings and Fidelity National Financial. He received his law degree from Florida Coastal School of Law and his undergraduate degree in Marketing from the University of Kentucky. Steve has been serving on the Board since 2013.



David Chambers (Director at Large – West) is Senior Counsel, IP at Smith & Nephew in Memphis. Previously, David held various in-house positions at Smith & Nephew, and was an attorney at Husch & Eppenberger. He received his law degree from the University of Illinois (2002) and his undergraduate degree in Manufacturing from the Bradley University (1995). David joined the board in 2018.



Allison Cotton (Secretary) is Employment Counsel for Community Health Systems in Franklin. Previously, Allison was an attorney at Ford Harrison and Manier & Herod in Nashville. Allison received her law degree from the University of Tennessee (2010) and her undergraduate degree in Public Policy Studies from Vanderbilt University (2007). Allison joined the board in 2018.



Stephanie Bauer Daniel (Director at Large – East) Associate General Counsel and Vice President at Fifth Third Bank in Knoxville. Previously, Stephanie was an Associate at Dinsmore & Shohl. Stephanie received her law degree from the University of Tennessee (2003) and her undergraduate degree in History from East Tennessee State University (1999). Stephanie is new to the board.



Scott Ellis (President Elect) is Senior Director, Contract Compliance for CoreCivic in Nashville. Scott's prior in-house experience includes serving as Vice President and General Counsel at Future-Net Security Solutions and as Division Counsel at Smith & Wesson. He received his law degree from the University of Tennessee (1999) and his undergraduate degree in Management from Middle Tennessee State University (1995). Scott has been serving on the Board since 2016.



Brad Hendrix (Director at Large – East) is Associate Counsel – Management at CBL & Associates in Chattanooga. Previously, Brad was in private practice, and served as a prosecutor in Alabama. He received his law degree from Samford University Cumberland School of Law (2001) and his undergraduate degree in Political Science from Athens State University (1998). Brad has been serving on the Board since 2018.



Hunter Kitchens (Director at Large – Middle) is Vice President and General Counsel at Premier Parking. Previously, Hunter was in private practice at Waller Lansden Dortch & Davis. He received his law degree from Mississippi College of Law (2011) and his undergraduate degree in Civil Engineering. Hunter has served at sponsorship committee chair since 2018 and began serving on the board in 2019.



Scott Lynn (Director at Large - Middle) is Executive Vice President and General Counsel of Ryman Hospitality Properties in Nashville. Previously, Scott was Senior Counsel at Progeny Marketing Innovations, and an attorney at Stokes and Bartholomew. He received his law degree from Vanderbilt University (1998) and his undergraduate degree in accounting from Tennessee Technological University (1994). Scott has been serving on the Board since 2017.



Peter Malunchuk (Vice President – Middle) is Senior Counsel, Labor and Employment at Bridgestone Americas in Nashville. Previously, Peter served as Employment Counsel at Community Health Systems and as an attorney at Constangy, Brooks, Smith and Prophete in Nashville. Peter was also a federal law clerk for the United States District Court, Middle District of Tennessee. He received his law degree from the University of Alabama (2008) and his undergraduate degree in History/Political Science from Kenyon College (2002). Peter has been serving on the Board since 2017.



Justin Martin (Immediate Past President) is Associate General Counsel at Electric Power Research Institute in Knoxville. Previously, Justin was an attorney at Kizer & Black and Winchester, Sellers, Foster & Steele. He received both his law degree (2000) and his undergraduate degree (1995) in Philosophy and American Studies from the University of Tennessee. Justin has been serving on the Board since 2013.



Mickki Murray (Director at Large – West) is IP Counsel at Medtronic in Memphis. Previously, Mickki was an attorney at Parks IP Law and Alston & Bird in Atlanta. He received his law degree from the George Washington University Law School (2003) and his undergraduate degree in Mechanical Engineering from the Georgia Institute of Technology (1996) and in General Science from Morehouse College (1995). Mickki joined the board in 2019.



Robbie Pope (Vice President – East) is Director and Real Estate Counsel at Regal Entertainment Group in Knoxville. Previously, Robbie was an attorney at Kramer Rayson LLP in Knoxville. He received his law degree from the University of Tennessee (2001) and his undergraduate degree in History from Emory University (1996). Robbie has been serving on the Board since 2016.



Tammye Taylor (Director at Large – East) is Senior Counsel, Intellectual Property for Eastman Chemical Company in Johnson City. Previously, Tammye was a research chemist at Azko Nobel. Tammye received her law degree from the University of Georgia (2002), her master's degree in Chemistry from Georgia Institute of Technology (1994) and her undergraduate degree in Chemistry from the University of Tennessee at Martin (1991). Tammye joined the board in 2018.



Meredith Wooten (Vice President – West) is the General Counsel of Vero Business Capital in Memphis. Her prior legal experience includes service with Enoble Business Capitol and the Law Offices of William Jeter. Meredith received her law degree from the University of Memphis (2011) and her undergraduate degree in Psychology from Berry College (2007). Meredith has been serving on the Board since October 2017.



Gulam Zade (Treasurer) is CEO of LOGICFORCE in Nashville. Previously, Gulam was an attorney at Garfinkle, McLemore & Young. He received his law degree from the University of Louisville and his undergraduate degree from Western Kentucky University. Gulam has been serving on the Board since 2014.



Melanie Gober Grand (Executive Director) is the Executive Director for the Association of Corporate Counsel – Tennessee and the Executive Director of the Lawyer's Association for Women – Marion Griffin Chapter in Nashville. Melanie has worked with professional associations for 25 years, and is a former bankruptcy paralegal. She attended Tennessee and UT Nashville. She received her Paralegal Certificate from Southeastern Paralegal Institute (1987). Melanie has worked with ACC TN since 2017.



Emily Johannsen (Chapter Administrator) is the Chapter Administrator for the Association of Corporate Counsel – Tennessee. Emily recently was a meeting planner at John Deere, and was the Legal Coordinator at Mars Petcare US in Franklin, TN. She received her undergraduate degree in Human Services and Criminal Justice from Iowa Wesleyan College in 2013.

ATTENTION: Chief Legal Officers

Please complete this year's ACC Chief Legal Officers Survey. The more participation, the greater our ability to use this data for important analysis in areas that are of greatest importance to you. All those who complete a survey will receive the full results of the survey, as well as a 50% discount on ACC's suite of 2019 law department management benchmarking reports. You can view the suite of reports [HERE](#).

2019 Benchmarking Reports Now Available

The [2019 suite of reports](#) were produced in partnership with our co-branding sponsor Major, Lindsey & Africa, the largest legal staffing firm in the world. Reports include:

[Download the Free Summary](#)

Legal departments can still participate in the survey through the remainder of 2019. Departments interested in participating should email research@acc.com. Inquiries regarding the benchmarking subject matter and technical web issues should be directed to research@acc.com.



Paul Weidlich

Radiohead, a Not So OK Computer, and Ransomware

By Paul Weidlich, Cybersecurity & Data Privacy Chair

Chambliss, Bahner & Stophel, P.C.

You may have seen recent headlines about the band Radiohead being the victim of a ransomware attack. Here's what really happened. Back in the mid- to late 1990s when Radiohead was recording its third album, *OK Computer* (one of my all-time favorites), it stored about 18 hours of unreleased sessions on archived mini discs. Fast forward to June 2019, someone stole the mini discs from Thom Yorke, the band's lead singer and main songwriter, and threatened to release them if Radiohead did not pay the thief \$150,000. Radiohead responded by releasing the previously unreleased sessions. In Radiohead fashion, the sessions were released for streaming (free) and downloading (18 euros) for 18 days. In so doing, the band wrote, "As it's out there, it may as well be out there until we all get bored and move on." Also in Radiohead fashion, the proceeds from the downloads were donated to Extinction Rebellion, a UK charity advocating for environmental issues. While the recent Radiohead incident did involve something like a "ransom" demand, it was more of a theft and a demand for hush money than what we typically think of as a ransomware hack.

As corporate counsel, you are likely facing a new wave of challenges to your cybersecurity and data privacy, including new levels of ransomware attacks. For example, the health care and financial industries are the favorite targets for traditional ransomware attacks. And regardless of industry, a new trend has emerged in these attacks – the use of cryptocurrency as the ransom payment method in order to provide the hacker with an anonymous and untraceable payment.

Recent high profile victims of the more common types of ransomware attacks include the City of Atlanta, the City of Baltimore, the Colorado Department of Transportation, Stone Mountain Park, Hollywood Presbyterian Hospital, and the San Francisco Municipal Transportation Agency.

In the more common ransomware attacks, the hacker improperly gains access to the victim's data, blocks the victim's access to its data, and demands a ransom to allow the victim to regain access. Typically, the hacker gains access and then blocks the victim's access to its valuable data through one of the following "delivery means": an email attachment, social media such as Facebook Messenger, or a pop-up that mimics currently-used software. The delivery means contains encryption malware that is installed on the victim's server when clicked.

Fortunately, the percentage of organizations that are victims of ransomware attacks has been on the decline for the past couple of years, but the revenue generated by ransomware hackers has **not** declined. The explanation appears to be two-fold.

First, the **most recent ransomware attacks are far more targeted** than in years past. Instead of casting a wide net with relatively unsophisticated attacks, hackers are now making attacks that are more tailored for specific targets and run by sophisticated controllers in real time. The result is a much higher success rate. Second, a ransomware attack is a relatively difficult hack to accomplish in that it requires the victim to actively take a number of steps to generate revenue. In addition, some victims simply refuse to pay a ransom to a hacker on principal, even when it is more expensive to restore the victim's system than to simply pay the ransom. Cryptojacking, for example, provides hackers with a much simpler, and potentially more lucrative, form of cyberattack.

So what can you do to protect your data from a ransomware attack? Here are five relatively painless steps you and your team can take to avoid a painful ransomware attack:

1. Frequent and tested back-ups, at least one of which is outside your network
2. Structured and regular software updates
3. Sensible data access restrictions
4. Proper credential tracking including robust and frequently-changed passwords
5. Frequently recurring employee training

As you are constantly pulled in different directions, it can be difficult to make time for proactive measures to address potential security breaches. However, continually revisiting your security plans and educating all personnel is essential to protecting your data and your client's. Don't think that your business is one that hackers don't care about. These days it's not a matter of "if" but "when."

For more information on ransomware attacks and what you can do to avoid them, or on other cybersecurity and data privacy matters, please contact me or one of the attorneys in our Cybersecurity and Data Privacy Practice Group. Our multi-disciplinary team is experienced in health care, information technology, commercial transactions, finance, manufacturing, insurance, and intellectual property.

Paul Weidlich has more than 20 years of legal experience. Paul has worked with clients from a wide range of industries. Paul's approach is to understand the business and innovations of his clients and determine their goals and objectives. Based on this information, he is able to counsel his clients with cost-effective solutions that best serve their interests.

Chambliss, Bahner & Stophel, P.C. is a 2019 Three-Star Partner.



Are you ready to earn the In-house Counsel Certified (ICC) Designation?

If you are an in-house lawyer seeking to become proficient in the essential skills identified as critical to an in-house legal career, the In-house Counsel Certified (ICC) designation is precisely what you need. To be eligible for the designation, you'll need to participate in the [ACC In-house Counsel Certification Program](#), which includes live instruction, hands-on experience, and a final assessment. Those who successfully complete the program will earn the ICC credential.

Attend this upcoming program: Berkeley Heights, New Jersey

November 4-7, 2019

[Register Now](#)

Patent's Mini Boot Camp

By Sean P. Ritchie

Stites & Harbison, PLLC

Patents are often an essential part of establishing and maintaining your presence in a particular market space. However, not all patents are created equally, and developing the right strategy for your individual goals will help maximize the value of your portfolio. Having a clear idea of what you are trying to accomplish with your patent portfolio can help guide how you choose to file and prosecute individual patents.

There are many different factors to consider when developing your intellectual property (IP) strategy. Some of these factors include your budget, whether you need international protection, what technology space you are operating in, how crowded that space is and how quickly it is evolving, where you are focused within that space, the IP activity of your competitors, and what you are trying to accomplish with your portfolio. While these are some of the more common considerations in developing an IP strategy, this is by no means an exhaustive list. The specific factors you look at, as well as how you weigh those factors in your evaluation, will depend upon your particular situation. With that in mind, it is easy to understand why there are also many different ways to approach your own portfolio.

As an example, in a crowded or rapidly evolving technology space you may consider filing more frequent applications directed to incremental improvements. Similarly, if your goal is to maintain freedom to operate within your desired space, you may consider filing more frequent applications meant to act as disclosures that prevent others from obtaining patents. These are often referred to as defensive patent applications, which can be particularly useful in industries with a focus on post-production service or repair. Alternatively, when pursuing international protection, which can be significantly more expensive, or when dealing with more disruptive technology, you may consider focusing on a smaller number of more expansive applications. Although the examples above are simplified for clarity, they represent some of the primary elements of any IP strategy – how many applications you plan to file, your intent behind filing, and how broad the disclosure is in each application. As discussed below, these elements influence how you approach every stage of patent prosecution, from setting a budget and invention disclosure policy to patent filing and enforcement.

Budget

One of the most important things to remember in setting an IP budget is that the cost to file an application is only part of the total cost. Within a year or two of filing a non-provisional application you will begin prosecution of that application with the United States Patent and Trademark Office (USPTO). Prosecution costs will vary depending upon the number and complexity of Office actions received. However, in general, it is reasonable to plan for prosecution to account for half of the total cost of obtaining a patent. For example, a fairly common estimate when using outside counsel is that a U.S. patent will cost between \$20,000 and \$25,000. In most cases, that estimate is referring to a cost of between \$10,000 and \$12,500 to file the application, and between \$10,000 and \$12,500 to prosecute the application. After a patent issues, there are also 3.5, 7.5, and 11.5 year maintenance fees which must be accounted for in the budget. Furthermore, there are optional costs for patentability and freedom to operate opinions, as well as the potential cost for enforcing your issued patents that should be factored in.

That being said, not all patents cost between \$20,000 and \$25,000. Shorter applications and applications directed to more straightforward technologies often cost less to prepare. Additionally, some applications will require less back and forth with the USPTO, which can significantly reduce the cost of prosecution. On the other end of the spectrum, longer, more complex applications may cost more to prepare, while crowded art spaces and particularly challenging examiners may increase the cost of prosecution. The same holds true for international patent protection, where each country you choose to enter generally has separate filing fees and prosecution costs associated therewith.

Despite the variability in cost between technology areas, as well as between individual applications within the same technology space, there are different ways that outside counsel can help manage costs and provide some level of predictability. Many firms offer different pricing models ranging from hourly to fixed fee. They may also be able to reduce total cost by recommending a filing strategy and providing a fee arrangement tailored specifically to your IP goals.

Invention Harvesting

In order to make a decision on whether to file a patent application you must first obtain a description of the invention. Timely internal invention disclosure is not only important for budgeting and overall strategy, it is critical for preserving

patent rights, particularly when dealing with public disclosures and offers for sale. However, establishing timely and consistent invention disclosure practices can be difficult. Although time constraints and lack of priority can certainly contribute, inconsistent invention disclosure practices are far more often the result of confusion over how the patent process works. This may be as simple as not knowing who to contact or how to submit a disclosure, which is why establishing a defined process can have a large impact on the success of your IP strategy. Even with a defined process, confusion over what is patentable and when an idea becomes an invention can lead to late or nonexistent invention disclosures. As such, providing periodic updates on patent eligibility and what is required to file an application (*e.g.*, constructive vs. actual reduction to practice) can significantly increase the quality and timeliness of your disclosures. Whether delivered by in-house or outside counsel, internal presentations are a great way to engage inventors, reinforce your process, and clarify any remaining points of confusion.

Turning to the content itself, at a minimum, the invention disclosure should include a summary of the invention, a list of possible inventors, and whether a public disclosure is planned or has occurred. Preferably, the disclosure also includes a brief background of the prior art, an explanation of each inventor's contribution to the invention, the current stage of development, and whether there are any third parties involved. Other helpful information may include how the invention differs from the prior art, what the inventors consider the main points of novelty, any specific challenges or unexpected results encountered during development, variations to the preferred embodiment(s), and alternatives that would not be covered (*i.e.*, ways to avoid any patent that may issue). Much of this information can also be obtained after the decision to file an application has been made, and in some cases is actually easier to discover in the context of questions embedded in a draft application.

Depending upon how complete the initial disclosure is, it may be necessary to follow up with an inventor interview before deciding whether to file an application or beginning preparation of the application. While you may choose to meet with individual inventors when there are particular technical questions they are best suited to answer, it is quite common to identify a lead inventor and communicate directly through them. In addition to filling in any holes in the initial disclosure, inventor interviews are an excellent way to gather information about breadth and preferred embodiments. They are also an opportunity to further discuss the stage of development and get a sense for how likely it is that the focus shifts moving forward, which may influence the type of application you decide to file (*i.e.*, provisional, non-provisional, PCT).

Third-Party Patent Rights

With more than 500,000 applications filed every year and over 10 million issued patents in the U.S. alone, there is a good chance that at some point you will run across at least one that is related to your business. However, there are a few different ways to manage the risks associated with these third-party patent rights. If you are sourcing components, taking a license, or licensing your products, always consider the implications of any indemnity clauses in those agreements. Additionally, consider performing your own prior art searches or having outside counsel conduct a freedom to operate (FTO) analysis. A FTO analysis is where a search of the prior art is conducted and a patent attorney reviews the closest art found in that search to provide an opinion as to whether your planned or existing product would infringe. Although a FTO analysis cannot guarantee that no one will allege patent infringement against your company, it does provide opportunities to limit those risks. More specifically, when performed before developing and producing a new product or acquiring another company, a FTO analysis affords the opportunity to modify the design or reconsider the acquisition before infringement can occur. Alternatively, after evaluating investment and expected return, rather than redesigning your product or method it may be more cost effective to take a license.

In some situations, where you can demonstrate a substantial controversy, it may be possible to seek a declaratory judgment that your product or method does not infringe the patent. A declaratory judgment action has the substantial benefit of allowing you to select the forum and timing of the suit. Alternatively, if there may be infringement but you believe the patent is invalid, another option may include challenging the validity of a potentially problematic patent. There are a couple ways to do this, including *ex parte* re-examination and inter partes review (IPR). Although IPR has been a popular choice since its introduction following the America Invents Act (AIA), *ex parte* re-examination remains a viable, and significantly less expensive, option. According to a recent AIPLA survey, attorney's fees for an IPR through hearing average more than \$300,000, whereas average attorney's fees for *ex parte* re-exam are around \$20,000.

Patent Enforcement

While a patent grants you the right to exclude others from making and using the claimed product or method, it is your responsibility to assert and enforce those rights. The first step in enforcing your patent is comparing the potentially infringing product or method to your claims, usually through a claim chart, to determine which claims are being infringed. In general, this is more difficult to do for method claims than product claims because unlike a product, which you can purchase and analyze with respect to your claims, a competitor's method is usually much harder to observe. Although this typically makes enforcement of method claims more challenging, there are certainly situations where it is possible to gather enough information to determine that a method patent is likely being infringed.

Once you determine that there is infringement, the next step is to identify who the infringer is, how they are infringing (e.g., direct, indirect, literal, doctrine of equivalents), and the amount of infringement. This also includes determining if there is more than one infringer as well as whether the infringing party is being induced. Typically, the answers to these questions direct how you choose to proceed. For example, you may be less inclined to file suit against certain parties that you have existing relationships with, while it may not make sense financially to file suit when the amount of infringement is low. That being said, in most cases, the first option is to send the potential infringer a notice letter along with a copy of your patent(s). This type of letter may also be referred to as a cease-and-desist letter when it includes language requesting that any infringement stop. In addition to possibly opening licensing negotiations, both letters serve to establish knowledge for indirect infringement and create notice for damages. However, these letters should be carefully worded in an attempt to avoid creating a substantial controversy and thus opening the door for a possible declaratory judgment action.

Once you send a notice or cease-and-desist letter, you are required to continue taking steps towards stopping the infringement to avoid losing your rights to collect past damages from the infringement. This may take the form of the infringer stopping the infringement or taking a license from you. If the infringer refuses to take a license or stop the infringing action, though, you will likely have to file suit to stop their unauthorized use and collect any accumulated damages. In some cases, where the infringing product is being imported, you may be able to file suit with the international trade commission (ITC). Should the infringing product be sold online through Amazon, a more recent option may include Amazon's new patent dispute program. Alternatively, there is always the option of a full infringement lawsuit in Federal court.



Sean P. Ritchie is a member with Stites & Harbison, PLLC and focuses on intellectual property protection, including counseling clients on patent infringement, patentability, patent drafting, and patent prosecution. With an academic background in bioengineering, Sean's practice primarily concentrates on chemical, life sciences, and materials science technologies. He also handles FDA compliance issues for medical devices.

Stites & Harbison, PLLC is a 2019 Volunteer Partner.

Have you heard of the Law Firm Alumni Program?

ACC's [Law Firm Alumni Program](#) provides an opportunity for law firms to give attorneys who are transitioning or have transitioned to an in-house role, the gift of a complimentary six-month individual membership to ACC. There is no cost to the firm to participate in the program and it allows them to cultivate relationships, support business development efforts, and strengthen their brand. We invite you to share with the following law firms:

1. Chapter sponsors
2. Those that you and/or your company do business with
3. The director of your personal law firm alumni network

Please see a list of currently [participating firms](#) and [sample language](#) that you can forward to your contacts. For additional information, please contact LaToya Tapscott at lawfirmalumni@acc.com.

Form Over Function – The Growing Trend of Design Patent Protection

By Mark A. Kilgore & William E. Sekyi

Patterson Intellectual Property Law

A company's intellectual property portfolio is vital to maximizing the success of a company's brand. The combination of trademarks, copyrights, and utility patents can create a barrier to competitors and distinguish a company in a crowded market. Recently, a case involving Ford Motor Company highlighted the value and importance of a different type of patent in an intellectual property portfolio – the design patent – which protects the design of a manufactured good or product. In relation to other areas of intellectual property, design patents often go over-looked, and therefore under-utilized. However, Ford's recent enforcement of its design patents prevented aftermarket competitors from making substantially identical body parts for its flag-ship F-150 truck, demonstrating design patents' power and effectiveness.

Ford's design patents covered the headlight and hood design of the F-150 truck. Automotive Body Parts Association ("ABPA"), a trade association for companies that manufacture replacement parts for automobiles, brought suit against Ford seeking to invalidate these design patents and enable ABPA companies to produce and sell competing F-150 headlight and hood replacement parts. The United States Court of Appeals for the Federal Circuit found the design patents valid and enforceable.¹ The design patents protected Ford's replacement parts market and prevented competitors from making aesthetically similar replacement parts where trademarks, copyrights, and utility patents were unavailable.

How can other businesses apply this model?

Design patents can play multiple roles within a company's intellectual property portfolio. They fill a gap between trademarks and utility patents, protecting a product's overall appearance while trademarks protect the product's brand and utility patents protect the invention associated with the product. Design patents do not protect the way a product functions (utility patents) or the goodwill associated with a product (trademark) – instead, they simply protect the way a product looks. As was the case for Ford, neither the headlight nor the hood of the F-150 lent itself to strong protection under trademark or utility patents, but that gap was filled with a design patent.

Design patents also provide strict limitations on counterfeit goods and knockoffs. When a third party seeks to directly manufacture substantially identical products or goods under a different name, a design patent can be used to protect your company's product even if there is nothing inventive about your product and even if the third party avoids infringing your trademark. Using a design patent to defend against counterfeit goods is one of the most direct and efficient ways to limit other retailers or manufacturers from selling these unauthorized goods. Further, this protection can be extended beyond just the product, to protecting the packaging, too. For example, consider Apple's well-known sleek packaging of their various products, many of which are protected under design patents.²

Just as Ford used them, design patents can also protect components of a larger product. This flexible application of design patents can be especially valuable on components that may be commonly replaced or repaired. While utility patents grant the patent holder a monopoly on an inventive concept, replacement parts may not be covered, or the exhaustion doctrine can limit the ability to control downstream use of such parts. Design patents can fill this gap, too: non-functional replacement parts may be eligible for design patent protection and thus extend the life of enforceable rights in a product deep into the aftermarket. And, while obtaining a utility patent to cover a single part to a product might be difficult, time-consuming, and expensive, a design patent can provide substantial, additional protection at a reduced cost and in less time. Thus, the combination of utility patents with design patents can be a powerful way to strengthen a company's intellectual property position.

Design patents historically have been overshadowed by their utility patent brethren, but recognition of their value is on the rise. Standing alone, they help a company protect a product's design, and when combined with other intellectual property in an overall portfolio strategy, design patents fill gaps and maximize product protection. IP-savvy companies are utilizing design patents to cover more of their products, extend product life cycles, and maintain their place in the market years after the first sale. How will design patents fit into your company's portfolio?

¹*Automotive Body Parts Association v. Ford Global Technologies, LLC*, No. 18-1613 (Fed. Cir. 2019).

²*See, e.g.*, U.S. D596,485; U.S. D713,740; U.S. D799,376.



Mark Kilgore, Ph.D. focuses on patent prosecution and intellectual property infringement litigation services in the fields of biotechnology, pharmaceuticals, medical devices, and the mechanical arts. Dr. Kilgore also provides freedom-to-operate and invalidity opinions to clients in the areas of biotechnology and the life sciences. In addition to patent prosecution services, he has experience in traditional infringement cases and administrative reviews before the USPTO and provides counsel for trademark and copyright issues.

Dr. Kilgore attended Cumberland School of Law in Birmingham, Alabama where he graduated cum laude and was a research and writing editor for the American Journal of Trial Advocacy. Before law school, he obtained his Ph.D. in Neurobiology from the University of Alabama at Birmingham (UAB). His research focused on the molecular mechanisms of learning and memory in the lab of Dr. David Sweatt.



William Sekyi is an Of Counsel patent attorney with Patterson Intellectual Property Law in Nashville. He began his practice in Washington, D.C. in 2002 and has been litigating patent disputes in district courts, appellate courts, and the International Trade Commission ever since. In addition to litigating, he counsels clients on IP matters, prosecutes patents, and more recently has been involved in a number of inter partes review proceedings before the U.S. Patent and Trademark Office. William earned a B.Sc. in mechanical engineering from Imperial College, London University, his M.S. in petroleum engineering from Louisiana State University, and his J.D. from Georgetown University Law Center.

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Upcoming Meetings

Memphis

October 16, 2019

Sponsored by Patterson IP

**IP Pitfalls! - Navigating IP Challenges for
Corporate Counsel**

Lunch and One Hour CLE
11:30 am—1:00 pm

Vero Business Capital
813 Ridge Lake Boulevard
Memphis, TN 37129

November 20, 2019

Sponsored by Waller

**Far-reaching Legal Implications of the U.S. —
China Trade War**

Lunch and One Hour CLE
11:30 am—1:00 pm

Vero Business Capital
813 Ridge Lake Boulevard
Memphis, TN 37129

December 18, 2019

Sponsored by Adams & Reese

Year End Ethics Update

Lunch and One Hour CLE
11:30 am—1:00 pm

Vero Business Capital
813 Ridge Lake Boulevard
Memphis, TN 37129

Nashville

October 29, 2019

Sponsored by Legility

Due Dilligence and Contract Management

One Hour CLE and Networking Happy Hour

Saltine's Restaurant
1918 West End Avenue
Nashville, TN 37203

November 7, 2019

Sponsored by Littler

**Cannabis and the Workplace: The High Points
For Employers with Growing Legalization**

Lunch and One Hour CLE

Bridgestone Tower
Bridgestone America Corporate HQ
200 4th Avenue, South
Nashville, TN 37203

December 13, 2019

**In lieu of the regularly scheduled
Nashville meeting, ACC TN will present
its first statewide program.**

Mini MBA in Half a Day

11:00 am—5:00 pm

Belmont University College of Law
1901 15th Avenue, South
Nashville, TN 37212

Followed by Sponsor & Member
Appreciation Casino Night Cocktail Dinner
& Awards

6:00 pm—9:00 pm
The Thompson Nashville Hotel
401 11th Avenue, South
Nashville, TN 37203

Knoxville—Upcoming Meetings

October 15, 2019

Sponsored by Butler Snow

Unfair Competition in the Workplace

Lunch and One Hour CLE
11:30 am—1:00 pm

Cherokee Country Club
5138 Lyons View Pike
Knoxville, TN 37919

November 12, 2019

Sponsored by Patterson IP Law

**The Defend Trade Secrets Act:
Three Years Later**

Lunch and One Hour CLE
11:30 am—1:00 pm

Cherokee Country Club
5138 Lyons View Pike
Knoxville, TN 37919

December 10, 2019

Sponsored by Littler

**Cannabis and the Workplace: The High Points
For Employers with Growing Legalization**

Lunch and One Hour CLE
11:30 am—1:00 pm

Cherokee Country Club
5138 Lyons View Pike
Knoxville, TN 37919

Chattanooga

October 17, 2019

Sponsored by Husch Blackwell

**Real Estate Transactions Best Practices
Whether You Are A Landlord Or A Tenant**

Lunch and One Hour CLE
11:30 am—1:00 pm

Husch Blackwell
736 Georgia Avenue, #300
Chattanooga, TN 37402

November 19, 2019

Sponsored by Miller & Martin

Tech Contracts

One Hour CLE & Networking Happy Hour
5:30 pm—7:30 pm

Miller & Martin
832 Georgia Avenue, #1200
Chattanooga, TN 37402

December 11, 2019

Sponsored by Husch Blackwell

ACC TN Holiday Party

11:30 am—1:00 pm

Alleia
25 E. Main Street
Chattanooga, TN 37408

Tri-Cities

November 5, 2019

Sponsored by Legality

**How to Meet Discovery Obligations
with Today's Technology**

Lunch and One Hour CLE
11:30 am—1:00 pm

Eastman Corporate Business Center
Eastman Chemical Company
301 S. Wilcox Drive
Kingsport, TN 37660

Dates and topics are subject to change. Please visit our Chapter website.

[Click Here](#) for the most up-to-date meeting information.

Members on the Move

Josh Mayo, who previously served as Senior Counsel for Cumberland Trust, now serves as Vice President and Head of Compliance for AltoIRA, a financial technology firm located in Nashville.

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