

ACC SFBA Pro Bono Program: Virtual Small Business IP Law Consultations for Women-led Businesses

Intellectual Property Law Refresher Training

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Your Presenters



Aaron Capron is a partner in our Palo Alto office

With more than 16 years of experience, Aaron's comprehensive patent practice includes post-grant proceedings, patent litigation, and patent portfolio management related to electrical, electronics, telecommunications, and software-based technologies.

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Morgan Smith is a partner in our Palo Alto office

Morgan focuses on trademark and false advertising litigation. She litigates cases and manages enforcement efforts for some of the world's most renowned brands, representing clients in a diverse range of industries, including sports equipment, apparel, food and beverage, travel, consumer electronics, personal healthcare, video games, pet products and services, automotive, and telecommunications.

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Agenda



IP Basics



Trademark & Trade Dress Basics



Copyright Basics



Patent Primer

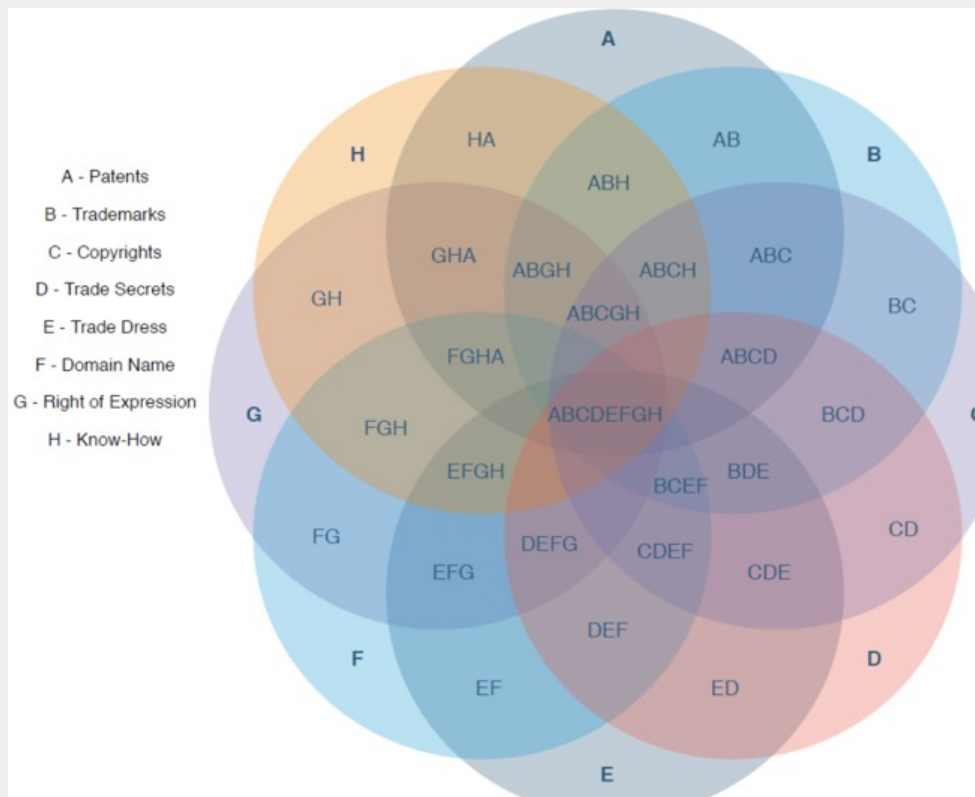


Trade Secrets Primer

IP Basics

- Intellectual property can include a variety of intangible assets:
 - **Patents**
 - exclusive rights over invention for a limited term
 - utility, design, plant
 - **Trademarks**
 - mark for source of goods
 - **Copyrights**
 - exclusive rights over expression of idea or information
 - **Trade secrets**
 - useful confidential information

IP Layering








IP Is a Valuable Asset

- IP is often the **single most valuable asset** of a company
- IP is **increasingly important** in today's corporate transactions involving technology

IP Enhances Corporate Value

- Attracts **investment**
- Encourages **innovation**
 - Inventor recognition, innovator awards program
- Potential source of **revenue**
 - E.g., license patent or use of corporate logo
 - Damages awards in litigation for misappropriation of IP
- Provides **market exclusivity**
 - Threat of suit keeps competitors out of market
 - Injunctions available if competitor enters market
- Prevents attacks by **competitors** because of potential cross assertion
- Encourages **corporate ventures**
 - Cross-licensing, collaborations, joint research programs
- Enhances **corporate valuation** for acquisition

Agenda

-  IP Basics
-  Trademark & Trade Dress Basics
-  Copyright Basics
-  Patent Primer
-  Trade Secrets Primer

What Is a Trademark?

- A trademark is a word, name, symbol, or device, or combination thereof, used by a business to identify its goods and to distinguish them from those of others
- A service mark identifies the origin or source of services



Trademarks

- Types of marks:
 - Words (COKE, GOOGLE)
 - Names (RALPH LAUREN, KATE SPADE)
 - Letters (IBM, AT&T)
 - Numbers (747, 1-800-SEND-FTD)
 - Logos/design marks
 - Slogans (DON'T LEAVE HOME WITHOUT IT)
 - Single colors
 - Sound marks (NBC Chimes, YAHOO! Yodel)
 - Smell marks
 - Domain names (AMAZON.COM)

Nº 5



Choosing a Trademark

- When choosing a new trademark, you need to consider:
 - Is the mark capable of identifying and distinguishing your products or services from those of a competitor, i.e., is it **protectable**?
 - Is the mark **available** for the contemplated use? What about for future expansion? For collateral/promotional products?

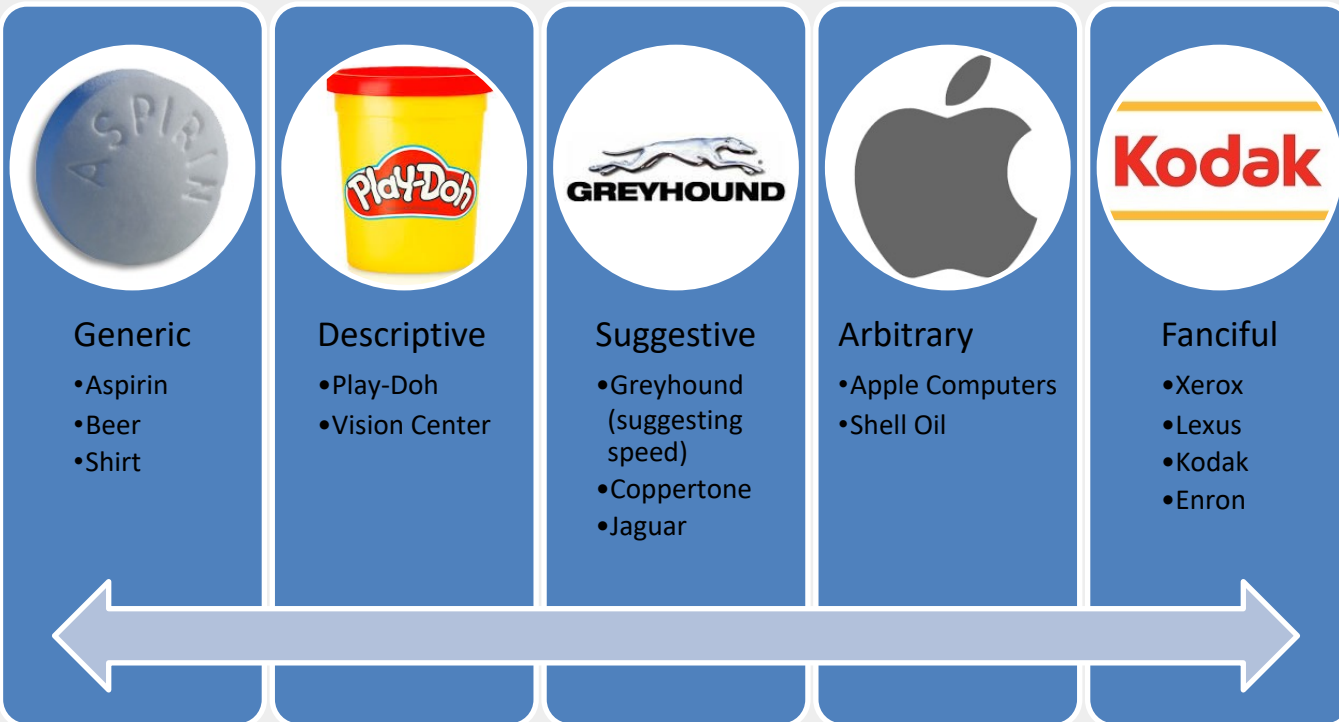
All Marks are Not Created Equal

- Trademark law rewards **creativity**
- The more unique or creative the mark, the stronger and more protectable it is
- The more common it is – particularly in the industry – the less protection it will have against similar marks
- This is called the “**Spectrum of Distinctiveness**”

Trademarks — Scope of Protection

Less Distinctive

More Distinctive



The Spectrum of Distinctiveness

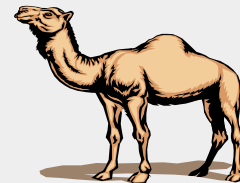
- **Fanciful or Coined Marks** do not have an independent meaning or significance apart from their existence as a trademark. Strongest on the spectrum of distinctiveness.
 - **GOOGLE** search engine
 - **KODAK** film
 - **EXXON** gas stations



The Spectrum of Distinctiveness

- **Arbitrary Marks** are common or recognized words used in an arbitrary way. Also at the strongest end of the spectrum.

- **CAMEL** cigarettes
- **APPLE** computers
- **YAHOO!** Internet services



The Spectrum of Distinctiveness

- **Suggestive Marks** require imagination, thought, or perception to reach a conclusion as to the nature of the goods or services. Strong, but not as strong as fanciful or arbitrary marks.
 - **COPPERTONE** suntan oil
 - **CHICKEN OF THE SEA** tuna
 - **LONDON FOG** outerwear



LONDON FOG

The Spectrum of Distinctiveness

- **Descriptive Marks** convey an immediate idea of an ingredient, quality, characteristic, purpose, or function of the goods or services. Unprotectable without a showing of acquired distinctiveness or “secondary meaning.”

– **SPORTS ILLUSTRATED**
magazine



– **RAISIN BRAN** cereal



The Spectrum of Distinctiveness

- **Generic Terms** are the common names of products or services. They are **never** protectable
- Even protectable trademarks may become “genericized” through improper use.

Trademarks that became generic
and were lost to the trademark owner



Choosing a Trademark

- Be clear about the **purpose** of the mark
 - Anticipated **use**
 - **Lifespan** of the mark
 - Relative **importance** of the mark
 - Whether the mark is intended for just **domestic** use or will be used **internationally**
- * These factors may impact both the scope of the search and the level of risk you're willing to accept**

Selection and Clearance

- Do the necessary clearance work **before** you fall in love with or use a mark
- Share as much information as possible with trademark counsel
 - How do you intend to use the mark?
 - Were you inspired by a competitor?
 - Are others in the industry using similar marks?
 - Does the term have some meaning in the industry? (e.g., elements of mark taken from generic drug name)



Forms of Trademark Protection

- Common law
 - First use of a protectable mark immediately creates common law rights, which are limited to a particular product or service within the geographic areas where the mark is used, advertised, or known
 - Rights last as long as the mark is associated with goods/services in a geographic area
- Federal registration with the USPTO
 - Registered trademark rights initially last for six years but may remain in force for unlimited consecutive ten-year periods as long as the owner meets the legal requirements
 - Recommended
- State registration
 - Limited usefulness except for purely intra-state uses

Benefits of Federal Registration

- Filing date of intent-to-use application constitutes constructive date of first use
- Presumption of validity of registration, ownership, and exclusive rights in the mark
- Nationwide constructive notice of claim of ownership
- May become incontestable after five years of continuous use
- Ability to recover profits, damages, and costs in federal court (possibly treble damages and attorneys' fees)
- Recordation of registration with U.S. Customs Service to prevent infringing imports
- Criminal protection from counterfeiting
- Right to use federal registration symbol ®
- Basis for foreign registrations



Basis for Application

- Use in commerce
- Bona fide intention to use (ITU)
 - Filing date = constructive first use date
 - Use must be made before registration will issue
 - What constitutes “bona fide intent”?
 - OK to have “back-up” marks pending FDA approval
 - OK to list multiple possible indications if reasonable
 - Document bona fide intent if possible (trademark searches, attempts to find licensee, business plans, etc.)
- Foreign application or registration (usually non-U.S. applicant)

Trademark Registration Process

- The **registration process takes time** – minimum 6 months; commonly 1-1/2 years; if an ITU could be 3-5 years



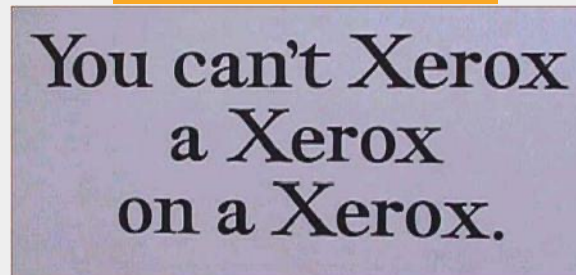
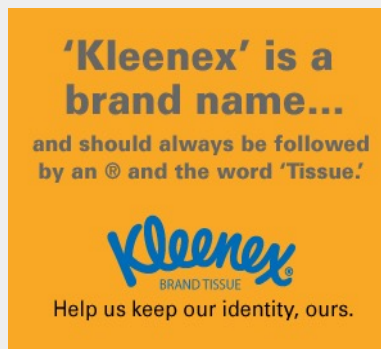
- Merely filing a trademark application does not confer trademark rights – until it registers
 - **Use TM symbol prior to issuance of registration**
 - **After issuance of registration, can use ® symbol**
- You can mention your pending TM application in demand letters and in complaints, however, to demonstrate efforts to protect your rights

Maintaining the Registration

- Trademark rights are obtained and **maintained** through proper and continuous use
 - Valid for ten-year period, renewable perpetually so long as mark remains in use
 - Must file evidence of use every ten years
 - During first term, must also file evidence of use between fifth and sixth anniversaries
 - Grounds for cancellation automatically limited after five years (defensive)
 - Incontestability also possible after five years (offensive)
- Registrations may always be cancelled on **abandonment** or **fraud** grounds, or because mark has become **generic**

Proper Trademark Use

- Think of a trademark as a *proper adjective*, not a *noun*
- If possible, use mark together with *generic name* of the goods or services (at least in the first most prominent use)
 - e.g., **MICROSOFT WINDOWS** operating system
- Set the mark apart from other text
 - CAPITAL LETTERS, *Italics*, Initial Caps, “Quotes”
 - Use trademark notices (“TM” or “®”)
- Avoid use of mark as a common noun or as a verb



Enforcement

- **What** is **enforcement**?

- Identifying and objecting to third-party marks that infringe or dilute the trademark owner's rights



- **Why** enforce your rights?

- Protect your rights and your investment
 - Trademark law essentially *requires* enforcement
 - Can become victim of “genericide”
 - Mark can become so diluted that it loses all value

Trademark Infringement

- Trademark infringement
 - Owner of a registered or unregistered mark has the right to prevent third parties from using a mark that is **likely to cause confusion, mistake, or deception** as to the source, sponsorship, or association of its goods/services
 - Consumer protection - keep the public free from confusion
 - Direct confusion
 - Reverse confusion
 - Initial-interest confusion
 - Point-of-sale versus post-sale confusion

Likelihood of Confusion Factors

- Strength of the plaintiff's mark
- Similarities of marks in sound, meaning, and appearance
- Similarities in goods and services
- Similarities in customers
- Similarities in channels of trade
- Sophistication of consumers and cost of goods/services
- Intent of defendant in adopting its mark
- Presence or absence of actual consumer confusion

Infringement Remedies

- Injunction (temporary, preliminary, permanent)
- Plaintiff's actual damages
- Defendant's profits
- Treble damages (must prove willfulness)
- Attorneys' fees ("exceptional" cases)

Defenses

- **Fair Use**
 - Descriptive fair use
 - Nominative fair use
- **First Amendment**
 - Free speech arguments
 - Criticism site; commentary; fan page
- **Comparative Advertising**
 - Must be truthful and non-confusing

Dilution

- **Dilution**

- Special protection for **famous** marks (i.e., household names)
 - the lessening of the capacity of a famous mark to identify and distinguish goods or services, even where:
 - no competition between the parties
 - no likelihood of confusion, mistake, or deception
 - no actual economic injury
- Mark must be **widely recognized by the general consuming public of the United States** as a trademark for plaintiff's goods/services (no "niche market" fame)
- Protects the value of the mark, rather than the public

Dilution

- **Dilution** (cont'd)
 - Dilution by **blurring** – use on unrelated product that impairs distinctiveness of famous mark (e.g., POLAROID refrigeration)
 - Dilution by **tarnishment** – use that harms the reputation of the famous mark (e.g., use of “Enjoy Cocaine” on posters)



Trademark Violations on the Internet

- **Domain Names (Cybersquatting)**

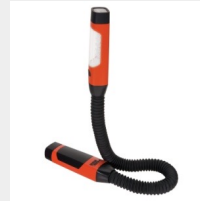
- Using a domain name that is confusingly similar to someone else's distinctive trademark
 - Anticybersquatting Consumer Protection Act (**ACPA**)
 - » Sue in federal court
 - Uniform Domain Name Dispute Resolution Policy (**UDRP**)
 - » Decided by arbitration panel (WIPO, NAF) instead of federal court
 - » Transfer or deletion of domain name

Trade Dress

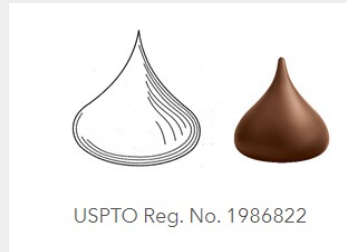


Trade Dress

- The overall “look” of a product or service, e.g., graphics, color, shape (may also be protected by design patent)
 - **Product packaging/containers:**
COCA-COLA bottle shape
 - **Product configurations:**
SNAKELIGHT flashlight
 - **Building designs:** McDonald’s restaurants
 - **Building interiors:** Taco Cabana restaurants








Trademarks – Trade Dress



Trademark Modernization Act

- Effective **December 18, 2021**, the U.S. Patent and Trademark Office has implemented new procedures to challenge pending applications and registrations
- Expungement and Reexamination procedures before the PTO allow third parties to challenge trademarks that have not been used during a particular time period
- Clarifies that a nationwide uniform standard of **presumption of irreparable harm** should be applied in trademark cases
- Authorizes the PTO to establish shorter office action response periods for pending applications; **by the end of 2022, applicants may have as little as two months to respond to Office Actions**

Agenda

-  IP Basics
-  Trademark & Trade Dress Basics
-  Copyright Basics
-  Patent Primer
-  Trade Secrets Primer

What Is Protected By Copyright?

1. Work must be original
2. Work Must be “fixed in a tangible medium of expression” to enjoy protection
3. Must be sufficiently permanent and stable to permit being perceived and reproduced
4. Ideas and facts are not protectable
5. *Expression* of an idea or fact is protectable



What Is Protected By Copyright?

1. Literary works,
including computer programs, books, manuals, databases
2. Musical works
including lyrics, music
3. Paintings and other pictorial works
including logos, launch screens, icons
4. Statues and other sculptural works
including toys, costumes
5. Choreography
6. Architectural works
7. Mask works (computer chips)



Copyrights – What is not copyrightable?

- Words, titles, short phrases, domain names
- Ideas, plans, methods, or systems, as distinguished from expression
- Blank forms
- Works containing no original authorship
 - schedules of sporting events
 - lists or tables taken from common sources
- Typeface as typeface
- Simple lists of facts or common information
 - ingredients in a recipe
 - important dates

Who Owns The Copyright?

1. Author/Artist is the owner
UNLESS
2. Work was “made for hire”
3. Author(s) assigned the work in writing



RIGHTS GRANTED BY COPYRIGHT

1. Reproduce or copy
2. Perform
3. Distribute
4. Display
5. Prepare Derivative Works
6. License Others
to Do One or More of the Above



Copyrights – How long do rights last?

- Copyright exists from the moment the author creates the work; no other action necessary
- Works of Individual Authors
 - Life Plus 70 Years
- Works for Hire (shorter of)
 - 95 Years from 1st Publication or
 - 120 Years from Creation



Copyright Registration

- Federal Registration with the U.S. Copyright Office
 - Register before publication or \leq 5 yrs after publication
- Benefits of registration
 - A public record of your ownership of the work and a certificate of registration
 - The ability to file a lawsuit against people who use your work without permission
 - Registration establishes *prima facie* evidence of the validity of the copyright and facts stated in the certificate when registration is made before or within five years of publication
 - Eligibility for statutory damages and attorney's fees, if you win your case
 - Register before infringement; only able to collect damages from the date of registration going forward

How to Register a Copyright

- U.S. Copyright Office is part of the Library Of Congress
- Website at **www.copyright.gov**
- Prepare and submit application
- E-filing system allows works to be uploaded; for works that cannot be uploaded, can send them in later

What You Will Need to Register

- Depends on the work, but generally:
 - Title of work
 - Full name, birthday, and address of author(s)
 - Year created & year published
 - Name of Claimant
 - Deposit copy

What You Need (continued)

- The Deposit
 - This is the most important part of the application
 - Everything else can be corrected
 - For published works, need two of the best edition
 - Unpublished, one of best edition
 - Identifying material for large and/or three-dimensional works

About The Copyright Notice

1. The © symbol is the most commonly used
2. Not required but HIGHLY recommended
3. If work is published:
© YEAR. NAME.
4. If not published:
© NAME (Unpublished work).

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Copyright Infringement

1. Using a copyrighted work without permission
2. Using the whole work – making postcards from a painting
3. Using part of a work – including portion of code in new software
4. Penalties are usually civil – a lawsuit for infringement
5. In extreme cases, U.S. law allows for criminal prosecution



Copyright Infringement Relief

1. Actual damages
2. Statutory damages (per work infringed)
 - \$750-\$30,000
 - If willful, \$150,000
3. Attorneys' fees/costs
4. Injunction/impoundment/destruction



Copyright Infringement Test

To assert a claim, the plaintiff needs to show:

- (a) a valid copyright
- (b) access to the work by the Defendant, and
- (c) Either exact copying or substantial similarity between the works at issue
(need not be copyright piracy or counterfeit)



Copyright Fair Use Defense

1. Use portion of protected work for purposes such as criticism, news reporting, scholarship, research, teaching, parody
2. No bright line test four factors
3. Courts balance:
 - a) whether use was for commercial purpose
 - b) whether work is creative or factual
 - c) amount of work used and importance to the whole
 - d) economic impact on author



Special Internet Copyright Procedure

- Digital Millennium Copyright Act (DMCA)
 - Enacted in 2000 and covers a wide variety of copyright issues
 - Particularly Prominent Notice and Takedown Procedure for Internet Service Providers (ISP)
 - Allows copyright owners to ask ISP to voluntarily remove infringing content of web site
 - In return, ISP is insulated from liability
- If you have a website you need a DMCA takedown notice policy
 - It may not save you, but it should help, particularly with willfulness
 - Somewhere on your website, include the name, address, and email address of a person who has the authority to takedown allegedly infringing content
 - To fully comply with the DMCA takedown safe-harbor, you need to register an agent with the U.S. Copyright Office: <http://www.copyright.gov/onlinesp/>






Hey, Somebody Posted My Work!

- How to initiate a takedown request:
 - Save/record/print the infringing use
 - Find the designated ISP agent and send your request by email AND Certified Mail®
 - State that you are the owner of the copyright work and ask for it to be removed
 - Include your registration number, if you have one.
- Companies are taking creative approaches
 - E.g., Instagram rolled out a new feature in mid-December allowing users to choose whether to allow embedding of their posts on third-party websites; companies and individuals are no longer required to make their Instagram accounts private to stop unwanted embedding

Copyright Licensing

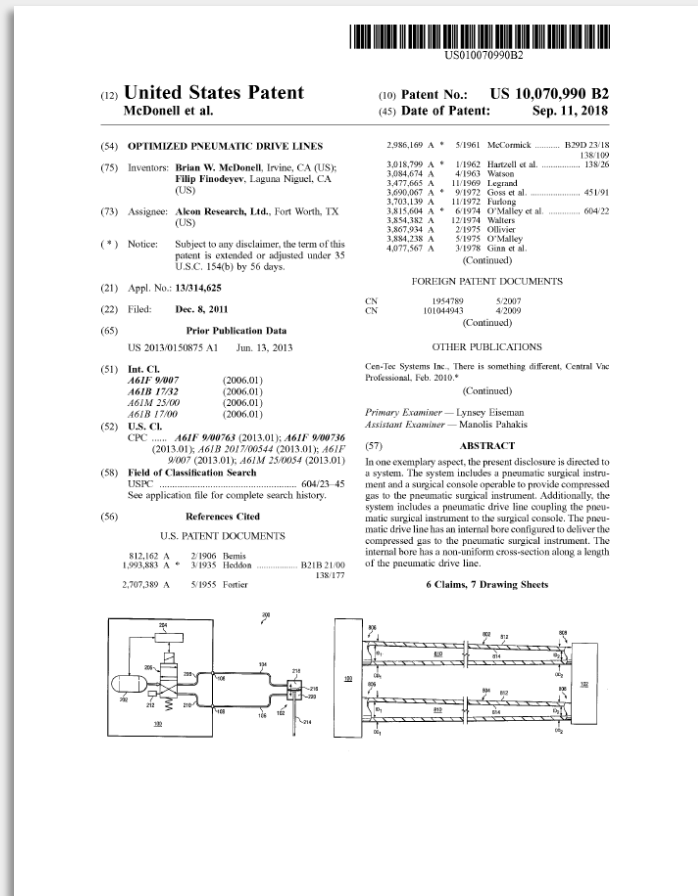
- Principal method for authors to monetize works:
 - Receive royalties or other payment
 - Broader distribution
 - New formats and new works
 - Greater fame
- Essential terms
 - What work/content is being licensed?
 - Grant of rights (what are licensee's permitted uses from the bundle of rights?)
 - Exclusive/Non-Exclusive?
 - Payment—How to calculate?
 - Duration and Termination?
 - Does the scope of use cover all desired uses?

Agenda

-  IP Basics
-  Trademark & Trade Dress Basics
-  Copyright Basics
-  Patent Primer
-  Trade Secrets Primer

Patents – What is a patent?

- Legal document issued by the USPTO
- Includes full disclosure of an invention, including how to make and use the invention
- Parts of a patent:
 - Abstract
 - Figures (optional)
 - Description
 - Claims



Patents — Types of Patents

Utility

Protects functional aspects of the invention

Most common type of patent

Design

Protects new, original, and ornamental designs for a product

Patents — Types of Patents (Example Utility Patent)

UNLOCKING A DEVICE BY PERFORMING GESTURES ON AN UNLOCK IMAGE

United States Patent
Chaudhri et al.

Patent No.: US 8,046,721 B2
Date of Patent: Oct. 25, 2011

References Cited

U.S. PATENT DOCUMENTS

Pat. No.	Pub. No.	Pub. Date	Pub. Title
485,084	A	11/1995	Cottrell
552,061	A	9/1995	Blinder
675,710	A	10/1997	Thompson-Rohlfisch
675,913	A	10/1998	Keller et al.
685,327	A	5/1999	Ogata et al.
675,268	A	11/2000	Porter
685,555	A	12/2000	Kang et al.
682,478	B1	2/2001	Elmaghr
6,246,686	B1	6/2001	Kandl et al.

FOREIGN PATENT DOCUMENTS

EP 1,284,493 A2 3/2005

OTHER PUBLICATIONS

IBM, "AccessControl (non-voice keys)" IBM Technical Disclosure Bulletin, No. 38, No. 4, Apr. 1995.

ABSTRACT

A device with a touch-sensitive display may be unlocked via gestures performed on the touch-sensitive display. The device is unlocked if contact with the display corresponds to a predefined gesture for unlocking the device. The device displays one or more unlock images with respect to which the predefined gesture is to be performed in order to unlock the device. The performance of the predefined gesture with respect to the unlock image may include moving the unlock image to a predefined location and/or moving the unlock image along a predefined path. The device may also display visual cues of the predefined gesture on the touch screen to remind a user of the gesture.

15 Claims, 15 Drawing Sheets

Device 400

Touch Screen 406

404

402

502

Movement 504

Menu Button 410

Patented!

slide to unlock

Patents — Types of Patents (Example Design Patent)



Utility Patents — Nature and Length of Protection

- **What can be protected?**

- New and useful **processes**, **machines**, **methods** of manufacture, and **compositions** of matter
- No protection for abstract ideas, laws of nature, or natural phenomena

- **Length of protection**

- 20 years from filing
- Possible to get longer if get compensation for PTO delays

Utility Patents — Types of Patent Applications?

PROVISIONAL APPLICATIONS

Low-cost application for inventors to preserve patent rights. Faster and cheaper, but no protection without later filing of non-provisional application.

NON-PROVISIONAL APPLICATIONS

Full application that includes all required sections and is reviewed by the PTO.

Quality Patent Claims

- Claims, claims, claims!
- The claims serve as the “fence” to let the public know where your property right begins and ends



Patents — What Qualifies as a Patentable Invention?

- **Eligible subject matter (§ 101)**
 - Claimed invention should cover subject matter for which patent protection can be given (no protection for abstract ideas or laws of nature)
- **Novelty (§ 102)**
 - Claimed invention must be “new” over the prior art
- **Nonobvious (§ 103)**
 - Claimed invention must also be “nonobvious” over the prior art
- **Adequate Description (§ 112)**
 - Claimed invention must be sufficiently supported by the disclosure and enable a person of ordinary skill to make and use the invention
 - Scope of the claimed invention must be reasonably clear

Patents — Scope of rights conveyed

- Right to **exclude** = right to prevent others from making, using, selling, offering for sale, or importing patented invention
 - patent does **NOT** provide right to **practice** invention
 - For example: Patent Y provides a right to exclude—but not practice—Invention A+B+C

Patent X
Invention = A+B

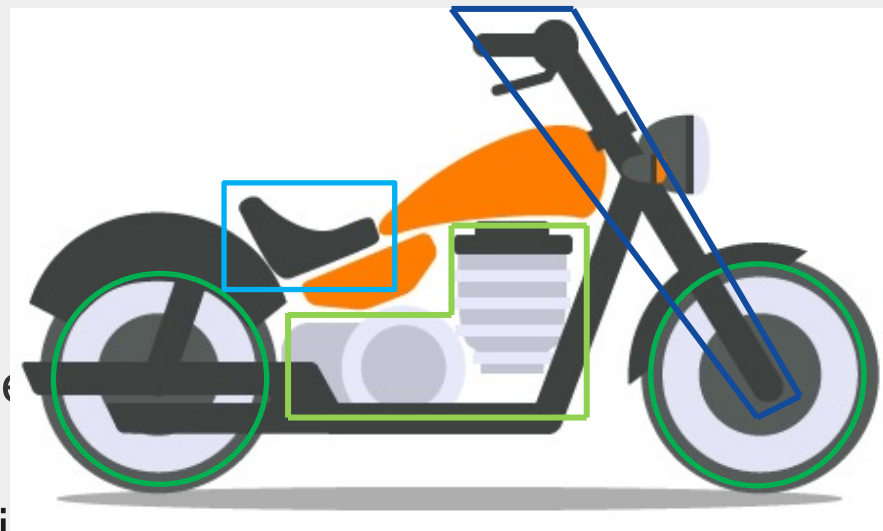
Patent Y
Invention = A+B+C

- Rights are **territorial** - limited to country of patent issuance and some activities conducted outside of U.S. (e.g., making a patented product abroad and importing into U.S.)

Claim Coverage Example

A vehicle, comprising:

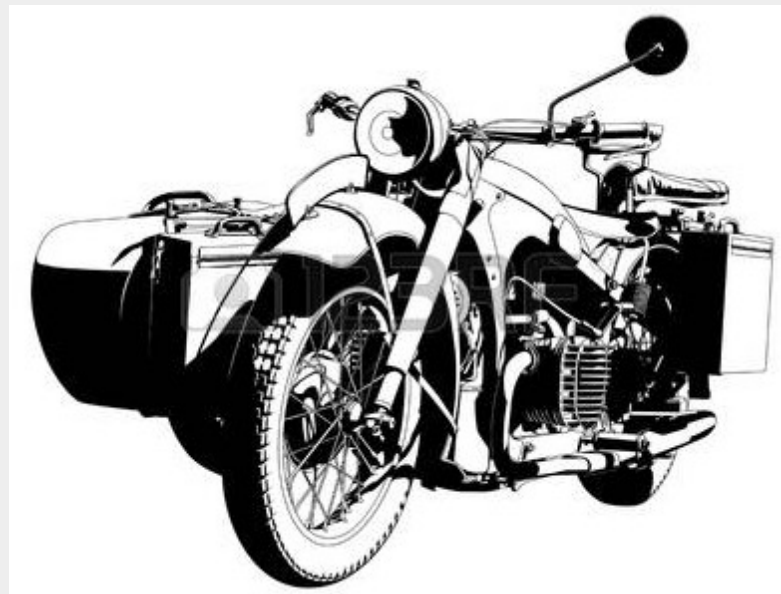
- ✓ ☐ two wheels in coplanar alignment;
- ✓ ☐ an engine and transmission configured to impart rotational movement to at least one wheel;
- ✓ ☐ handlebars connected to at least one wheel for steering the vehicle; and
- ✓ ☐ a seat configured to support a rider in a straddle position while operating the vehicle.



Claim Coverage Example

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- ✓ ☐ two wheels in coplanar alignment;
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Claim Coverage Example

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- ✗ ☐ handlebars **connected to at least one wheel** for steering the vehicle; and
- ✓ ☐ a seat configured to support a rider in a straddle position while operating the vehicle.








The Little Words Matter, Too

Claim A. A process for making pastry, comprising:
heating the dough **to** a temperature of 400 °F to 800 °F.



If the dough is heated as this claim instructs, it would burn to a crisp! You should have said “heating at.” But, courts can’t re-draft claims! Too bad, so sad, you lose!!

Agenda

-  IP Basics
-  Trademark & Trade Dress Basics
-  Copyright Basics
-  Patent Primer
-  Trade Secrets Primer

Trade Secret: What is a Trade Secret?

- Information not generally known to public or to knowledgeable persons (outside company)
- Information is sufficiently secret to confer actual or potential economic or business advantage or benefit
- Theoretically unlimited term
- Generally, trade secrets may include:
 - Engineering information; methods, processes and know-how; tolerances and formulas; business and financial information; computer programs (particularly source code) and related information; unpublished patent applications; business plans; budgets; methods of calculating costs and pricing; customer and supplier lists; internal marketing data; specifics concerning customers and suppliers; products and services in research and/or development

Trade Secret: What are the Requirements?

- To qualify as a trade secret, information:
 - Must not be generally known or readily ascertainable
 - Must have independent economic value, and
 - Must be subject to reasonable measures to maintain secrecy
- But there is no requirement of:
 - Novelty or originality
 - Disclosure or dedication to the public
 - Grant or registration by any agency of the government
- Disclosure (or ability to reverse engineer) destroys the trade secret

These are classic trade secrets . . .



Why and Where to Enforce Trade Secrets

- Enforce in Federal Courts, State Courts, or International Trade Commission
- Remedies for trade secret misappropriation include:
 - Injunction
 - Monetary damages
- Damages
 - Compensatory
 - Disgorgement
 - Royalty
 - Enhanced Damages

Trade Secrets

- Estimated **\$300 billion per year loss** in the U.S.
- Trade secret theft in the U.S. was estimated at **1 to 3 percent** of U.S. GDP annually
- Vast majority of trade secret misappropriation is by an employee or business partner
 - 90% of federal cases; 93% of state cases

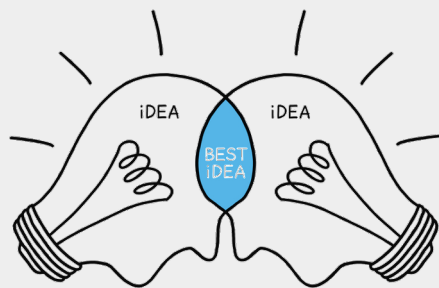
Top Jury Damages Awards from 2014-2020

Date	Amount	Against	Case
2014	\$919M	Kolon Industries, Inc.	Dupont v. Kolon Industries
2018	\$845M	Xtal, Inc.	ASML v. Xtal, Inc.
2020	\$543M (reduced from \$764M)	Hytera Communications	Motorola Solutions v. Hytera Communications
2016	\$420M (reduced from \$940M)	Tata Consulting	Epic Systems v. Tata Consulting
2019	\$91M	L'Oreal	Liqwd v. L'Oreal
2017	\$74M	Caterpillar, Inc.	Miller v. Caterpillar

Protecting Trade Secrets Internally

- “Reasonable Measures to Maintain Secrecy”
 - Mark documents and information
 - Information classification
 - Information access restrictions
 - Facilities and network security
 - Employment contracts
 - In-house training and awareness
 - “Need to know” restrictions

What Are the Benefits of Collaborating?

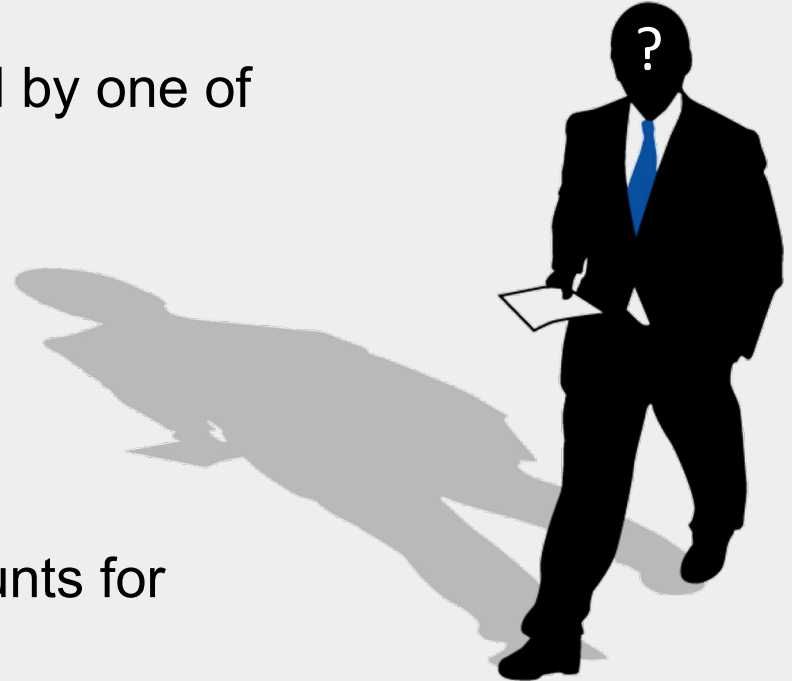


Protecting Trade Secrets in Collaborations

- Collaborative agreements should:
 - Identify any trade secrets
 - Detail ownership
 - Require parties to agree the information is valuable and should be protected
 - Set rules for protecting confidentiality of trade secret information
- A comprehensive agreement minimizes risk that a former collaborator will argue:
 - They helped conceive your trade secrets
 - They independently discovered your trade secrets
 - Your trade secrets have no independent value

Define Your Partner (Today and Tomorrow)

- Who is licensed to practice IP owned by one of the JV partners?
 - Subsidiaries?
 - Related companies?
 - Newly acquired companies?
 - Spinoffs?
- Ensure JV specifies rights and accounts for future changes



Protect Yourself with NDAs

- Non-Disclosure Agreement (NDA)
 - Prohibit the disclosure of non-public information obtained from the other party
 - Can also prohibit disclosure of the possible collaboration itself
- Who on your team should have access to other party's confidential information?



Watch Out for Red Flags

- Partner asks for more confidential information than necessary
- Similar, competing technology emerges in aftermath of a failed joint venture



Trade Secret Misappropriation

- Includes theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means



- But does **not** include:
 - Reverse engineering
 - Independent derivation
 - Any other **lawful** means of acquisition

Trade Secret Misappropriation

- Improper means = Acquisition of a trade secret by a person who knows or has reason to know the trade secret was acquired by improper means; or
- Disclosure/use without consent by person who:
 - Used improper means to acquire the trade secret
 - Knew or had reason to know the trade secret was:
 - Derived from or through improper means
 - Acquired under circumstances giving rise to a duty to maintain secrecy of the trade secret
 - Derived from or through a person who had a duty of secrecy

Summary: Patents vs. Trade Secrets

Patents	Trade Secrets
20-year term	Perpetual (in theory)
National scope	Potentially international scope
Government fees needed to maintain patent enforcement	Costs necessary to maintain secrecy of information
Formal compliance requirements (e.g., utility, novelty, disclosure of material information) confirmed through examination	No formal compliance requirements
Dedicated to public at end of term	Public disclosure destroys trade secret right
Patent infringement can be willful or unintentional, strict liability	Misappropriation often depends on proving copying or intentional actions

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Questions?

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