

RYLANDER & ASSOCIATES PC



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Seriously Creative About Protecting Ideas

Keiretsu Forum NW 2011 Patent IP Academy

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SCOPE

- **General Tips**
- **Patents & the New Patent Law**
- **Trademarks**
- **Copyrights**
- **Basic IP Checklist**

Title Is Everything

Chain of Title

Record Title

Where? **Tricky**

NDA NDA NDA-NOT!

“Work for Hire”—use those words

&

Automatic Assignment

— NOT “Duty to Assign”

— Use **“hereby assigns”**

I These Clauses

Easy to Sue

- Choice (x3)
- Stipulated personal jurisdiction
- Waiver of Service of Process

Protection & Perfection

- Automatic Assignment
- Work for Hire
- Duty to Assist
- Duty to Disclose
- Nondisclosure
- Noncompetition
- Nonsolicitation (x3)

Teeth

- Attorneys Fees
- Consent to Judgment
- Liquidated Damages
- Stipulated Irreparable Harm



Costs Planning 1

- Patents \$\$\$\$\$\$
- TM \$\$\$
- Copyrights \$

Costs Planning 2

Use Good Practices

- ✓ Shareholder K
- ✓ Investor K
- ✓ Employee K
- ✓ Vendor/Contractor K
- ✓ Proprietary Control

NERD CENTRAL

**PATENTS
& YOU**

Not your MAMA's Patent Law

First to File, not Invent

Ambiguous Grace period

Tax strategies unpatentable

Unintended Consequences

~~Best Mode~~

More Ways to **Kill Patents**

Kiss **False Marking** suits **goodbye**

Broadening **Prior User** Defense

What IS a patent?

- Intangible Personal Property
- Right to prevent
- **not** a right to do

Utility Patent

Plant Patent

Design Patent

PATENTABILITY

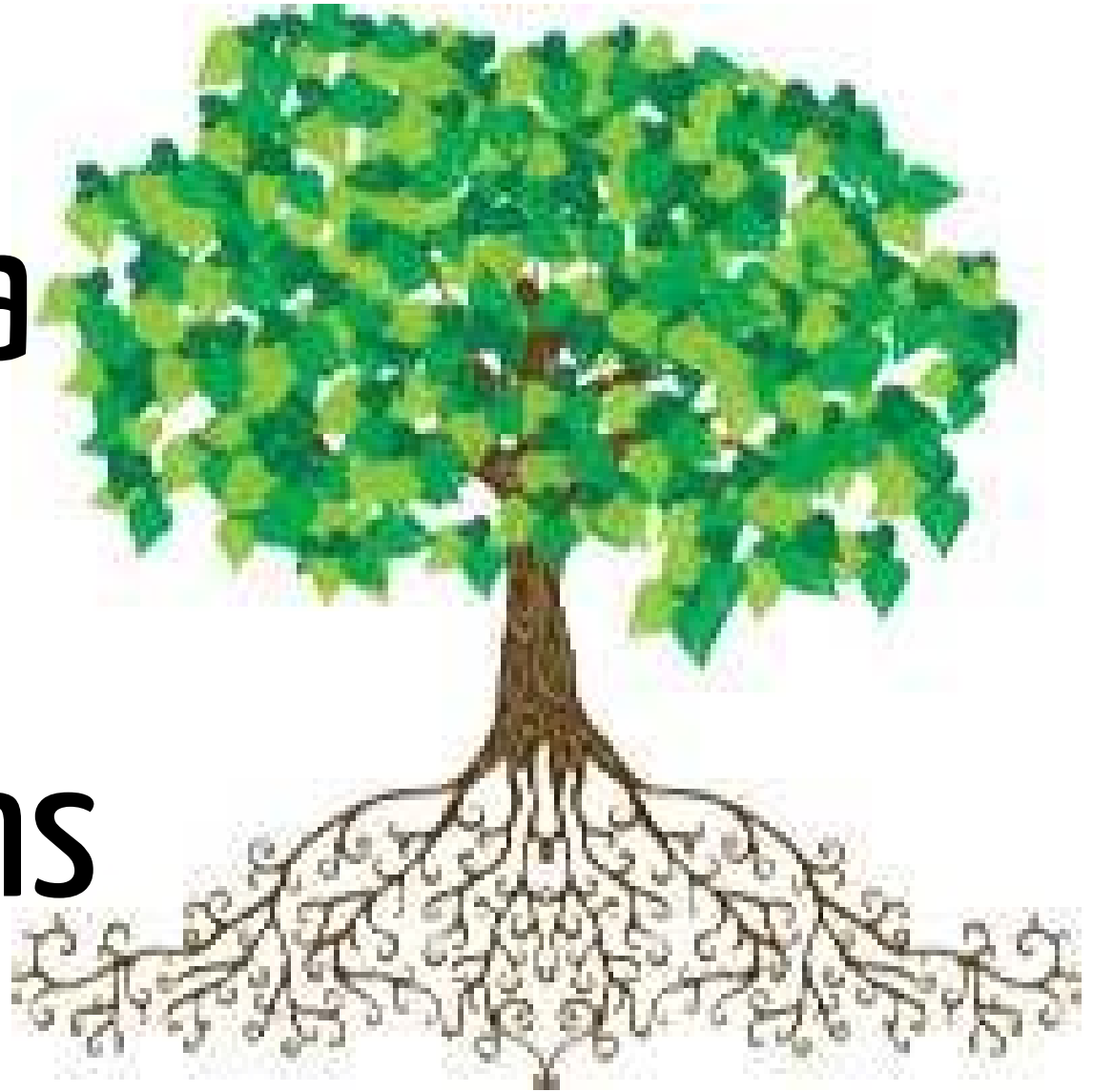
- Utility
- Novelty
- Nonobviousness
- Tell Others How to Make and Use
- Definitive in Scope

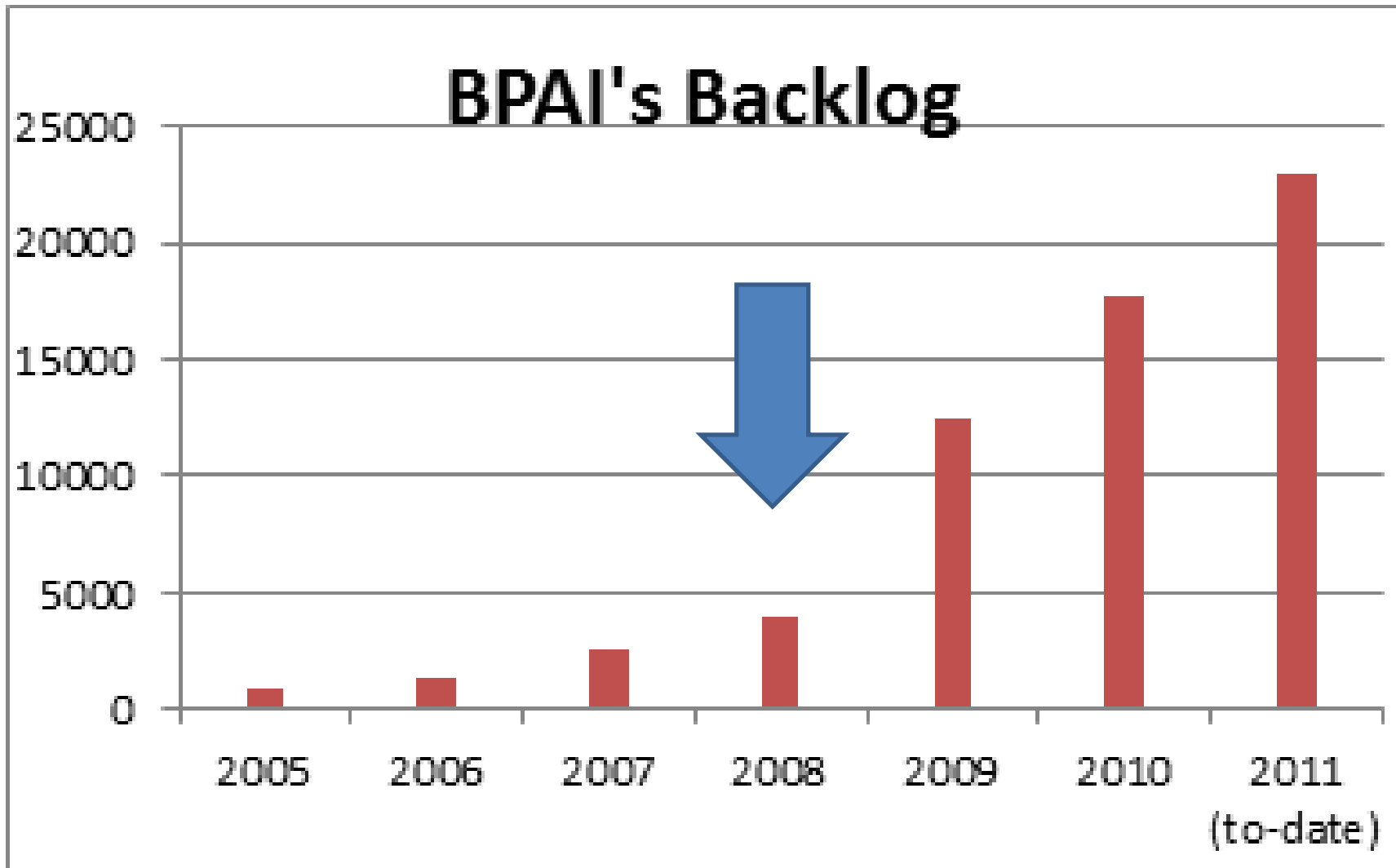
Prosecution



Patent Labyrinth

A Plethora of Patent Applications





From, Lawrence Higgins, Patently O, www.patentlyo.com (July 18, 2011)

CLAIMS

Are Everything

Ownership

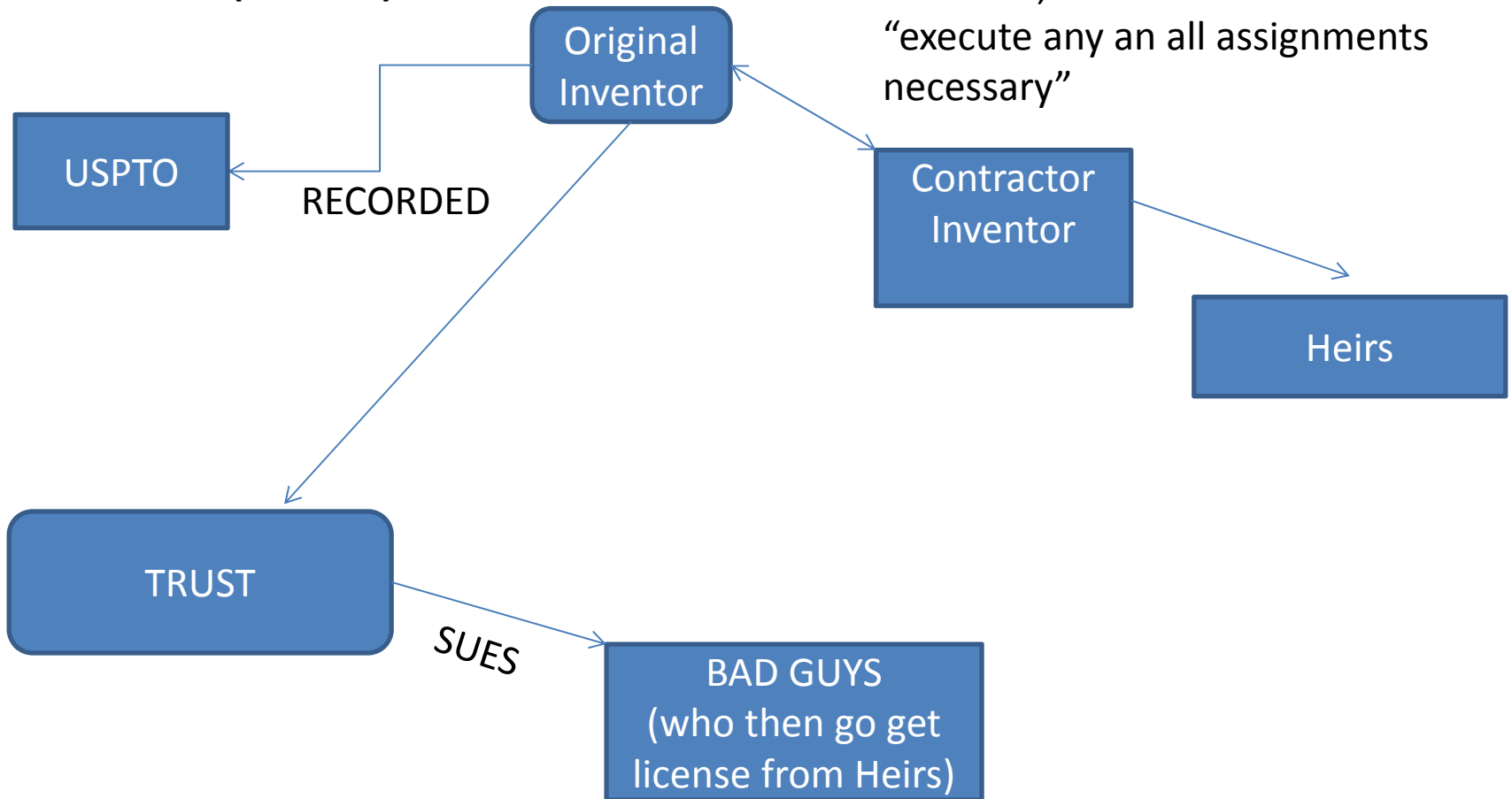
Inventors own jointly

Unless **Assignment**

But also **Shop Right**

Divided Ownership Case Gellman v. Tellular Corp. (2011)

Consulting Agreement: “ideas, discoveries, inventions shall be and remain exclusive property” of Lebowitz, and Contractor will “execute any an all assignments necessary”



FOREIGN PROTECTION

- PCT
- 1 year
- 30 months



ENFORCEMENT

Go ahead, Make My Day

Who	Owners and Exclusive Licensees
What	Damages, Injunction
Where	Federal District Court, Court of Federal Claims, International Trade Court
How	Infringement

INFRINGEMENT

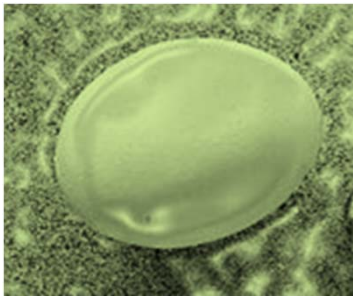
Strict Liability

Two step process:

Construe and
Compare

REMEDIES

- Injunctions
- Impound and Destroy
- Damages \geq “reasonable royalty”
- Bad egg **Enhanced** Damages
- Bad egg **Attorneys fees** and costs



DEFENSES TO INFRINGEMENT

Not me	Not infringing
Not you	Invalidity or standing
Bad you	Unenforceable
Ok, me ...but a long time ago	Improved Prior User Defense

License-v-Assignment

Who can sue?

What do Investors want?

Succession, dissolution, etc.

Loss of control

Taxes

Not your MAMA's Patent Law

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Broadening **Prior User** Defense

September 16 2011

- First Change: **Increasing Fees \$\$\$**
- **Strange** Change:
 - No tax planning patents (joining nuclear weapons, burglary tools, perpetual motion machines, and potatoes)



The Myth of the Grace Period

NO grace period

EXCEPT.....

less than 1 year prior to filing:

Disclosure directly by inventor

Disclosure by one who obtained the **subject matter** disclosed directly or indirectly from inventor

Public disclosure by the inventor of the subject matter

Public Disclosure by one who **obtained** the subject matter disclosed **directly or indirectly** from inventor

Disclosure versus **public disclosure**?

Subject matter versus claimed invention?

Obtained directly or indirectly ?



Beware

The Foreign Lack of Grace

Death of False Marking Suits



- Expired Patent Numbers OK
- “competitive injury”
- “compensatory damages”



Nosy Neighbor Provisions

- New ways to challenge patents
- New Post-Grant Review Procedures
- Expanded Pre-Grant 3rd Party Submissions

VIRTUAL MARKING

Constructive Notice

“Pat.”+ web address

(e.g.. “Pat. www.myco.com/patents”)

List patents by products and, preferably, date

Failure to Get an Opinion

Not held
against you

Prior Use Defense

Expanded

Best Mode Defense

Eliminated

Unintended Consequences

- US patents are prior art effective as of foreign filing date (regardless of whether published)
- Commonly owned patents not prior art for novelty (does this mean not prior art at all—can extend life by double patenting)
- Post Grant Review dead zone due to inconsistent dates

SM



Trade
Dress

TRADEMARKS

Trade Name

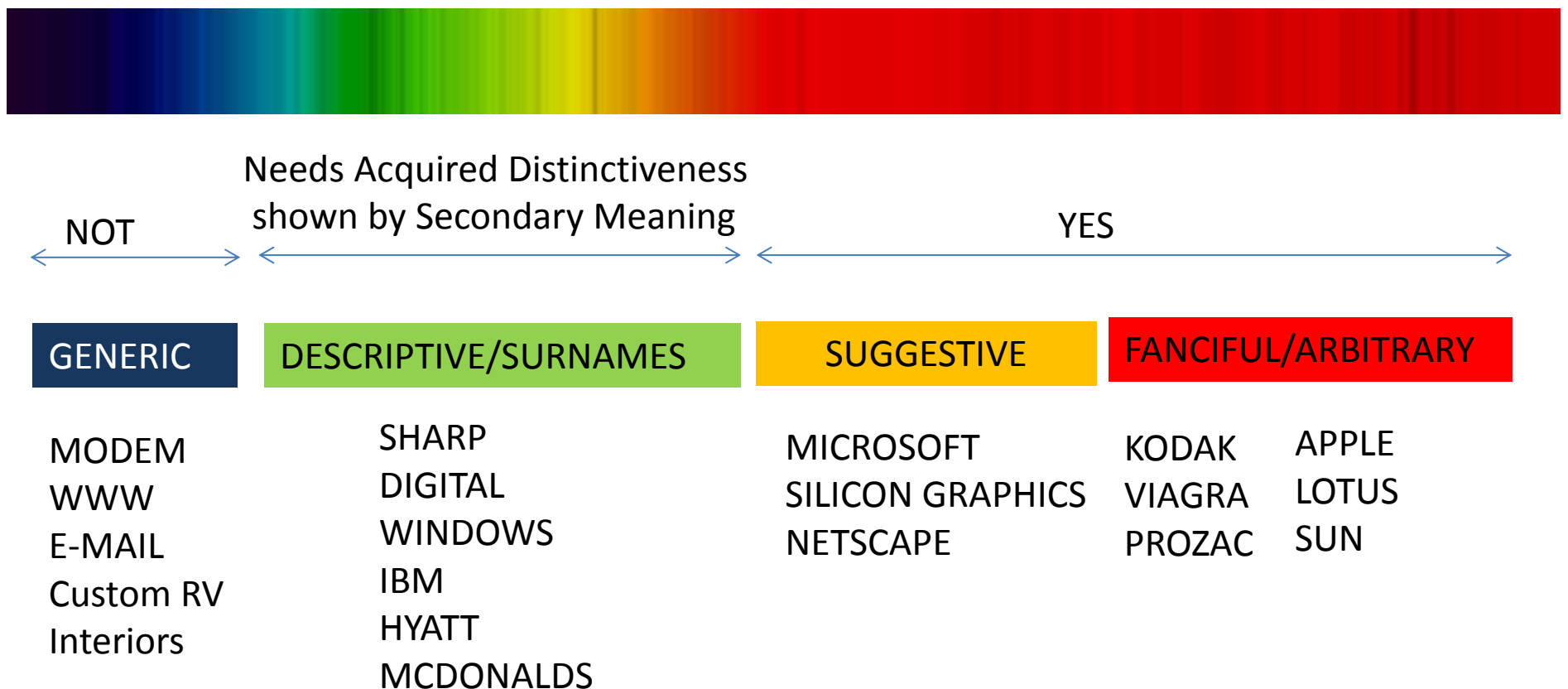
TM

Source Identifiers

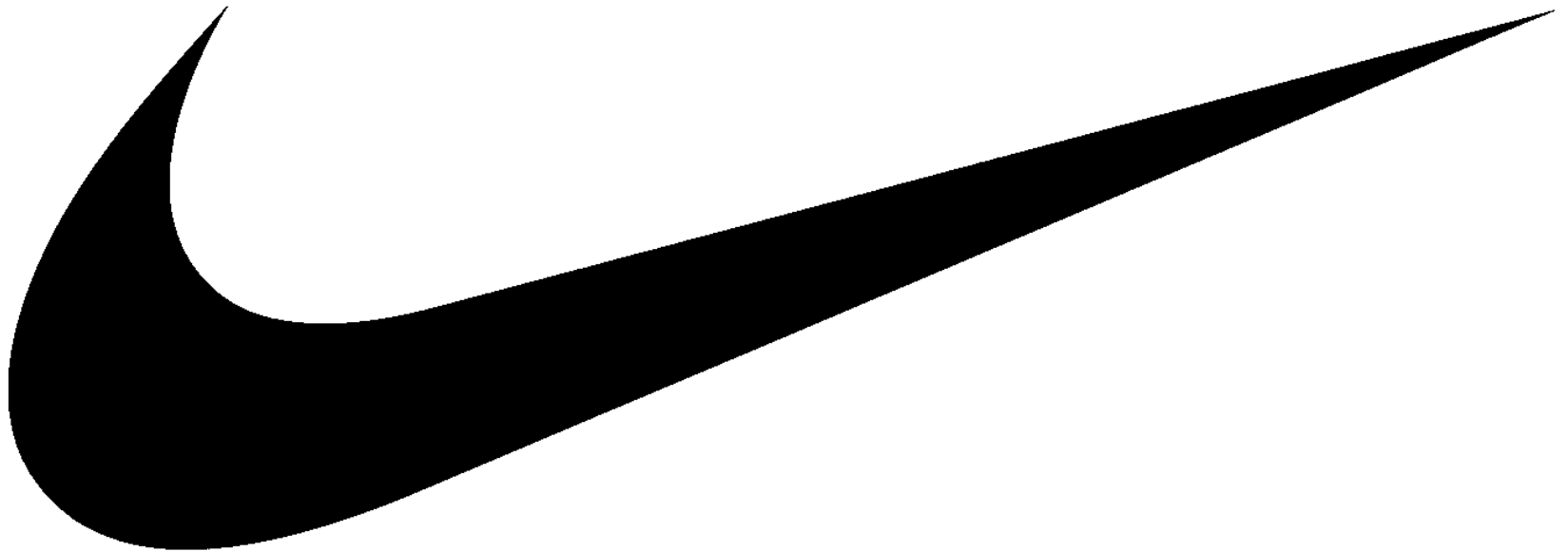
Capable of Distinguishing

Protectable=Capable of Distinguishing

The Spectrum of Protectability



SWOOSH





VROOM

ROOARRRRRR



Undressing Trade Dress

Overall Distinctive

Appearance/Impression

Product Packaging/Configuration

NOT needed for Functionality



Most Common Trademark Related Claims

<ul style="list-style-type: none">• Infringement• Unfair Competition• Dilution• Cybersquatting	<p>Common law State Federal</p>
<ul style="list-style-type: none">• Consumer Protection Act	<p>State</p>

Trademark Infringement Claim

First, **Protectable** Mark

Second, **Owned** by You

Third, **Confusingly Similar**

OWNERSHIP

Trademark **clearance** search

Don't lose the **protectability**

BADWILL

Assigning trademark without goodwill. **GROSS!**

- Assignment in Gross can **kill**
- Best practices:
 - Expressly assign the goodwill with the mark
 - Make ledger entries

LICENSING TRADEMARKS

**Quality control
provisions are KEY**

Registration

Common Law™

State by State™

Federal®

International/Foreign™

FEDERAL REGISTRATION

- *Prima Facie* proof of Protectability & Ownership
- Recordable with U.S. Customs
- Can Record Assignments to Perfect Interests
- But, keep track of Maintenance Deadlines

Insurance

- **CGL** policies often cover “**Advertising Injury**”
- **Specialty** infringement and abatement policies

COPYRIGHT

“To © or Not To ©”

Toys
Books

Music

MUSIC

Furniture

Creative Expression

MOVIES

Software

Statues

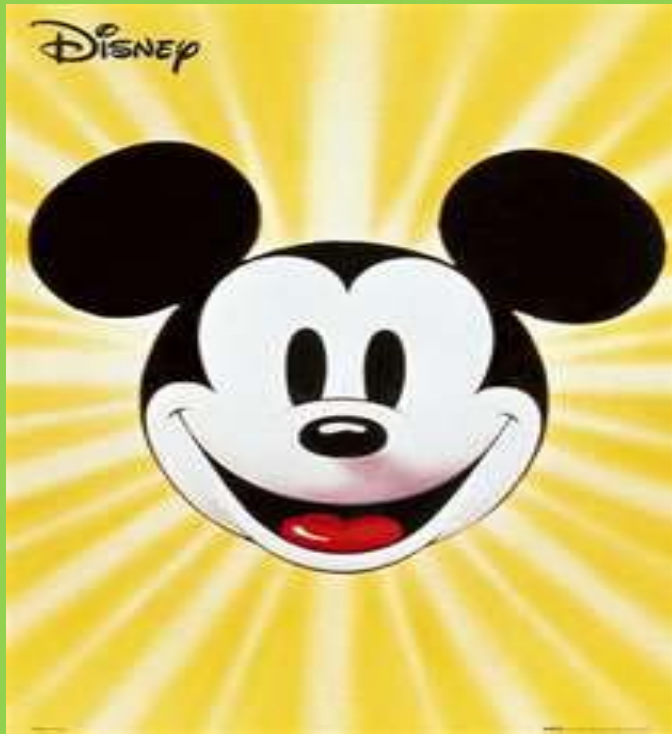
SOFTWARE

Register it. End of Story.

LOC hopelessly

out of date

Protected Forever?



Thank you
~~Willie~~
Mickey!

BASIC

IP Checklist

- All Contracts executed-WFH/AUT ASS
 - Shareholder/Member
 - Vendor
 - Employees
 - Investor
 - Preferably, Clauses I 
- IP Clearance
- IP Filed
- IP Recorded
- Trade Secrets Identified, Protected

TOP 10 MOST COMMON MISTAKES

10. Not Picking a Name you can grow with
9. Not perfecting title at the beginning
8. Not protecting IP early
7. Not pursuing copyright protection for software
6. Filing your own patent application
5. Not having a written corporate agreements
4. Not making a business plan
3. Using a late night invention promotion company
2. Giving up too soon

NUMBER 1 MOST COMMON MISTAKE

1. Using an NDA incorrectly.