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INTELLECTUAL PROPERTY AND TECHNOLOGY LAW

Basics of Intellectual Property for Business & Entrepreneurs

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What is Intellectual Property?

- Abbreviation: Intellectual Property = IP
- Definition:
 - A category of intangible rights protecting commercially valuable products of the human intellect . . . eh???
- Traditional Types of IP:
 - Not Patents
 - Trademarks
 - Copyrights
 - Trade Secrets
 - Patents
 - Utility, Design, and Plant patents



Why Should We Care About Intellectual Property?

- Economists estimates that domestic intellectual property (IP) is worth more than:

\$5,000,000,000,000 (trillions)

- Example: Coca-Cola has been estimated to hold intellectual property worth more than \$70 billion.



Trademark Basics

- A trademark is a source identifier.
 - Any word, name, symbol, device, or combination thereof
 - used to identify your goods and distinguish them from the goods of others
 - Can include names, logos, sounds, smells, product design, packaging, etc.
- Many rights come from use – more with registration.
 - Use ™ for unregistered common law marks, limited protection
 - Use ® for registered marks, national protection
- First use of the mark = priority of rights.
- Rights last forever - as long as the mark is used.
- A typical US Trademark Registration (including an optional, but recommended, clearance search) costs approximately \$2,500 to obtain over 12-18 months.

TM



Trademark Examples



Kodak

Fanciful/Coined

(Very Strong)



Suggestive

(Weaker)



International

Business

Machines

Descriptive

(Weakest)



Computers

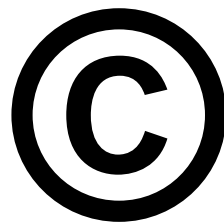
Arbitrary

(Strong)

Generic – terms such as aspirin, cellophane, and escalator are now generic words.

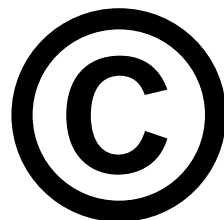
Copyright Basics

- Protects the “works” of “authors”.
 - Examples - writings, music, and other works of art that have been tangibly expressed.
 - Copyright consists of a bundle of rights:
 - to copy or reproduce the work
 - to distribute the work by sale
 - to control “derivative works”
 - to perform or display the work
 - Protects the expression of the idea, not the idea itself.
 - Copyright exists immediately upon creation of the work and fixation in a tangible medium.
 - Voluntary copyright symbol (©, the letter C inside a circle), the abbreviation “Copr.”, or the word “Copyright”.



Copyright Basics

- Basic duration – can be a complex issue, but generally
 - Life of the author plus 70 years, or
 - Corporate authorship is 120 years after creation or 95 years after publication, whichever is earlier.
- Registration not mandatory, but encouraged.
 - If registration is made within 3 months after publication or prior to an infringement, it is possible to collect statutory damages and attorney's fees in an infringement action.
 - Otherwise, may be limited to actual damages in an infringement action.
- Registration is inexpensive - \$50/\$35 and downloadable forms at www.copyright.gov.



Trade Secret Basics

- Many states have adopted the Uniform Trade Secrets Act (UTSA).
- Any valuable information that gives you a competitive advantage and that is maintained as secret.
 - Must take reasonable steps to maintain the secrecy.
- Can be the best way to protect your intellectual property, as long as it stays a secret!
 - When a trade secret is lost to the public, it is lost forever.
- Misappropriation (e.g., improper acquisition or disclosure) is theft under state law.



Trade Secret Example



- Formula held as trade secret for over 100 years.
- The current Coca-Cola formulation is not patented.
- Only a handful of people know the formula, most only portions.
- If someone else were to independently re-invent the exact formulation for Coca-Cola, the Coca-Cola Company cannot prevent them from making and selling it!

Patent Basics

- What is a patent?
 - A right to exclude others from making, using, selling, and importing **an invention.**
- Policy
 - Constitutional Basis
 - The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the **exclusive Right** to their respective Writings and Discoveries.
 - Patents encourage early disclosure of new inventions to the public . . . This is a good thing!



Auglaize County Patents



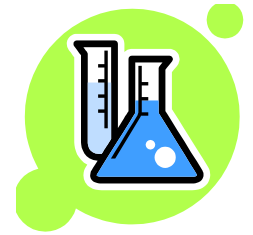
- Since 1976, over 144 patents have been issued to Wapakoneta-area inventors, including:
 - USPN 9,108,116 **Container with articulatable statuette**, Paul Swartz et al.
 - USPN 9,058,052, **Adjustable armrest mechanism for a materials handling vehicle**, to Eugene G. Bruns et al. (Crown Equipment Corporation)
 - USPN 9,057,270, **Compressor including suction baffle**, to Bradley Strawn et al. (Emerson Climate Technologies, Inc.)
 - USPN 8,950,557, **Systems and methods for an improved torque tube** , to Joshua Craig Houser (Goodrich Corporation)
 - USPN 8,904,843, **Can end and method of making same**, to Gregory H. Butcher et al. (Stolle Machinery Company, LLC)
 - USPN 8,524,065, **Systems and methods for electrocoating a part**, to Brent A. Schwartz et al. (Metakote Corporation)

What is an Invention?



- We are all inventors
 - A mere idea is not an invention, however -
 - Any time you solve a problem, you have made an invention!
- The trick is that not all inventions are patentable.
- Patentability Requirements:
 - Novel - Different from what was known?
 - Useful - Is it landfill, or isn't it?
 - Non-Obvious - Would a PHOSITA have recognized the invention as a predictable variation of what was already known?

Patent Types



■ Utility Patent

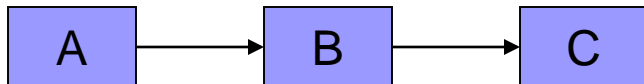
- Covers processes, machines, articles of manufacture, compositions of matter, and Improvements thereof.
 - “Business methods” – law is in a state of flux (Alice Corp.)
- Duration of twenty (20) years from filing date.

■ Design Patent

- Covers ornamental appearance of articles.
- Duration of 15 years* from date of issue.
 - *Hague Agreement and International Designs.

■ Plant Patent

- Asexually reproduced distinct and new plants.
- Duration of twenty (20) years from filing date.



Have Invention, What Now?

- Properly Document Your Invention
 - U.S. is a first-inventor-to-file jurisdiction – one who is first to file has a right to the patent.
 - Reduce the invention to a writing.
 - The inventors should sign and date, and have at least one corroborating witness sign and date.
 - For example, use notebooks in a laboratory or development setting.
 - Useful in preparing a patent application, and as evidence of inventorship in some situations (e.g., derivation and TS misappropriation).



Have Invention, What Now?

- Avoid a Public Disclosure

- Includes telling a third-party, offering to sell, or selling your invention.
- One year bar from date of first disclosure/offer to sell/sale.
- Any public disclosure may destroy “absolute novelty”.
 - Many foreign countries require absolute novelty for an invention to be patentable.
- If you believe you **must** disclose, use confidentiality or non-disclosure agreements (NDAs).



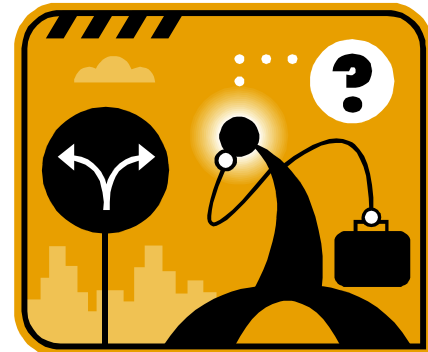
Have Invention, What Now?

- Conduct a “Prior Art” Search
 - Optional, but highly suggested:
 - Save the expense of filing an application on an invention that is not patentable, and
 - Allows you to write a better patent application
 - USPTO Online Database.
 - <http://patft.uspto.gov/>
 - Google Patents.
 - <http://www.google.com/patents/>
 - Professional search and opinion.
 - Between \$800-\$2500, depending on complexity
 - Professional search agents can cover more ground, more quickly.



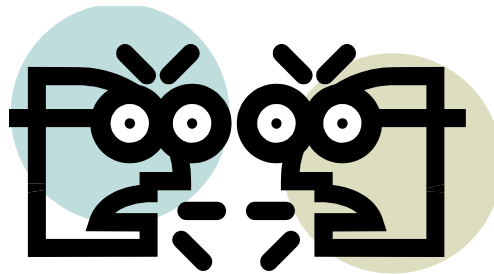
Have Invention, What Now?

- Decide type of patent application to file.
 - Utility Application is a formal document:
 - Detailed written description sufficient for one to practice your invention.
 - Set of claims defining the metes and bounds of the invention.
 - Claims = legal definition of the invention
 - Drawings of the invention that meet specific Patent Office drawing requirements.
 - The application is assigned to a Patent Examiner who examines the application for patentability.
 - Can use “Patent Applied For” or “Patent Pending” or the like upon filing.
 - Cost to prepare and file are up to about \$6000, plus formal drawing fees and the Government filing fees.



Post-Filing

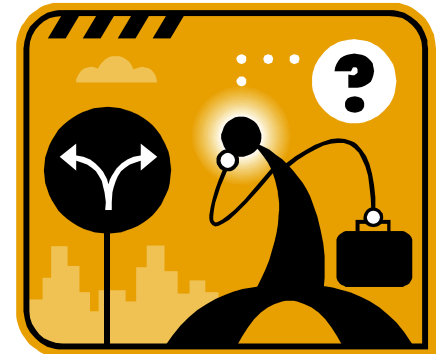
- Patent “prosecution” = arguments back and forth with Patent Office.
 - Applicant (Applicant’s attorney) negotiates with the Examiner or amends the application in response to “Office Actions” from the Patent Office.
 - Can appeal adverse decisions or pay for additional prosecution.
 - Patent application typically remains pending for at least 2-3 years.
 - Can be thousands of dollars more (e.g., up to about \$6000) depending on complexity and length of prosecution.



- Issue Fees due upon Notice of Allowance (total about \$960/\$480/\$240).
- Periodic maintenance fees required during life of the patent
 - (3.5 years – about \$1600/\$800/\$400; 7.5 years – about \$3600/\$1800/\$900; 11.5 years – about \$7400/\$3700/\$1850).

Have Invention, What Now?

- Decide type of patent application to file.
 - Provisional application is an informal document
 - Written description and informal (hand) drawings
 - Never examined, and expires after one year
 - Cost to prepare and file between \$600-\$2000
 - Advantages to filing a provisional
 - Provides the inventor one year to improve the invention; seek licensees; seek investment capital; test the market; etc.
 - Can use “Patent Applied For” or “Patent Pending” or the like during the one year period.
 - Provisional application is a stepping stone to utility and foreign applications
 - Must file a U.S. utility and/or foreign applications within one (1) year, if at all, to move forward with the application.



Have Invention, What Now?

- Decide type of patent application to file.
 - Foreign patent applications.
 - Patents are territorial - requires a patent in each country where you wish to protect your invention.
 - Paris Convention – foreign filings within one year of U.S. filing.
 - Patent Cooperation Treaty (PCT).
 - An “International Patent” does not exist, however, an application procedure is available through the U.N. World Intellectual Property Organization (WIPO) for filing with 140+ countries.
 - The PCT application is examined individually in each country selected.
 - Cost to prepare application plus about \$4000/\$3000/\$2500 in international fees.
 - Issue fees and annuity fees also required in each country.



Final IP Thoughts



- Remember that securing IP is a process.
 - Typically must fight for the right, and work is almost always necessary after an initial filing for protection.
- IP protection can be a powerful “business tool”.
 - Prevent others from profiting on the good will and reputation associated with your business.
 - Keep others from copying your creative expressions.
 - Protect your inventions, either as trade secret or by patent, and ward off your competition.
 - Monetize your IP by licensing or assignment.
- In order for a business to take full advantage of IP, the business first needs to recognize and identify IP.
 - Can you recognize the trademarks, copyrights, trade secrets and “patentable” inventions of your respective projects or businesses?



Questions?

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