



Navigating Intellectual Property Issues In Business

Delivering Practical IP Solutions

This booklet was created by HIPLegal LLP to take some of the mystery out of “IP” – intellectual property.

We want to help non-IP lawyers as well as non-legal executives identify and navigate common IP issues that may arise in your daily work. It is designed to provide you with an overview of the different forms of IP, a base understanding of high-level issues and a vocabulary for discussing IP issues in your company. We also included checklists to help you spot issues that may be important to your company’s IP position, some of which may require the expertise of an IP attorney.

This is not an exhaustive overview, it is not intended to provide legal advice, and it does not create an attorney-client relationship.

We would be pleased to explore how we can help you – just give us a call!

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Who We Are

HIPLegal delivers practical high-tech intellectual property (“HIP”) legal solutions that fit seamlessly into our clients’ businesses because we invest in and build our client relationships into true partnerships. This foundation gives us the perspective to see an IP issue in the context of our clients’ short and long term goals – so we not only solve today’s problems but also anticipate future issues.

At its core, HIPLegal is a team, both within our firm and in partnership with our clients. By understanding our clients’ business, strategy and trajectory, and leveraging our collective, complementary expertise, we ensure the strategies we design and implement align with our clients’ business values and anticipate future issues. Upon this foundation, we help maximize our clients’ opportunities in identifying, protecting, organizing, valuing, and licensing their IP.

HIPLegal was founded by three seasoned intellectual property attorneys, Annie Rogaski, Julie Stephenson and Judith Szepesi based on our shared core value of truly partnering with our clients. Our expertise is based on years of in-house, litigation, strategic advice, and patent prosecution experience.

Our Team

Annie Rogaski | annie@hiplegal.com



Annie has decades of IP litigation and counseling experience, drawing upon her chemistry training to counsel clients in medical device, biotechnology, semiconductor, software, and consumer electronics industries. Now focused on counseling, strategic advice and licensing, Annie uses her expertise to help clients navigate competitive risk and best position themselves to protect and enforce their IP.

Julie Stephenson | julie@hiplegal.com



Julie brings a sophisticated business approach to her IP practice with years of managing IP from a company perspective. She has EE bachelor’s and master’s degrees, engineering and law firm experience, and 11 years at the interface of business and law working in-house at Silicon Valley high-tech companies. Julie uses this diverse background to understand the business needs and challenges of clients, develop and implement licensing programs, design IP strategies, and set up best IP practices.

Judith Szepesi | judith@hiplegal.com

Judith has over fifteen years of experience as a patent prosecutor and strategic advisor in the high technology field and over ten years as a partner in a top IP boutique. Judith has a degree in electrical engineering, and programming experience. She works primarily in high technology, including software, hardware, mobile systems, telecommunications, analog and digital circuits, and mechanical areas. Her practice also encompasses open source and technology licensing. Judith delves deeply into the industry and business of her clients, enabling her to craft IP strategies that maximize and minimize risk.

Licenses / Other Agreements / Policies



IP that you own can provide value by keeping competitors from using it or generating revenue if you choose to license or sell it. Each of these approaches requires a defined strategy to maximize return. If you seek to keep competitor A from using your patent, but license competitor B, that could impact your ability to prevent other competitors from using your patent. Or, if you grant a cheap license to one competitor, that license may reduce the value you could get from others.

Defensively, you may be concerned about another's IP that appears to keep you out of a desired market space. Approaching the IP holder is a delicate matter that can impact the cost of that license and should be handled with a well-thought-out strategy.

When other forms of IP protection do not apply, certain contracts and policies may provide protection. Robust confidentiality and non-disclosure agreements can augment trade secret protection when working with partners. Carefully approaching joint development agreements can maximize patent protection.

Some policies – invention disclosure, employee confidentiality, document retention, etc. – may be critical to your ownership of your IP.

Licenses / Other Agreements / Policies Checklist

| Business Stage / Event | IP Issues Implicated |
|---|--|
| Research / development | <ul style="list-style-type: none"> ⇒ Negotiate and draft: <ul style="list-style-type: none"> ✓ Assignment obligations ✓ Invention disclosure policies ✓ Joint research agreements / NDAs / confidentiality agreements ✓ Restricted access policies / procedures ⇒ Conduct whitespace analysis |
| Product launch / distribution | <ul style="list-style-type: none"> ⇒ Identify licenses needed to launch ⇒ Negotiate and draft in-licenses / indemnification agreements ⇒ Manage calendar and track contractual obligations |
| Revenue generation / market protection | <ul style="list-style-type: none"> ⇒ Determine offensive license strategy per market ⇒ Conduct offensive IP evaluation and valuation ⇒ Evaluate, draft, send and monitor cease and desist letters ⇒ Negotiate and draft out-licenses ⇒ Manage calendar and track contractual obligations |
| Litigation | <ul style="list-style-type: none"> ⇒ Draft: <ul style="list-style-type: none"> ✓ Common (legal) interest agreements ✓ Joint defense agreements ✓ Joint representation agreements ✓ Litigation holds |
| Miscellaneous licenses / contracts / policies | <ul style="list-style-type: none"> ⇒ Evaluate and police open source product licenses ⇒ Develop and enforce document retention policy ⇒ Manage contracts |

Litigation



The value of IP comes from the limited monopoly it provides and its ability to be enforced against unauthorized users. If someone is using your patented technology, has misappropriated your trade secrets, is using your trademark or has copied your copyrighted material, a lawsuit is a tool to potentially stop them and recover compensation.

Litigation is expensive, lengthy if taken through trial and appeal, and disruptive to the business. It is a step to be carefully considered – both when filing a lawsuit against someone and when you have been sued and are evaluating exit strategies. Litigation can be won and lost on procedure as well as on the merits. It pays to be aware of key procedural issues (such as implementing a litigation hold for the company as soon as litigation is contemplated by you or filed against you) to ensure a strong case on the merits is not weakened or lost due to a procedural misstep.

When a lawsuit is filed, the plaintiff has 120 days to serve the complaint. This provides a window often used by the plaintiff to discuss a business resolution before the case officially starts. During this period, an IP attorney can counsel you behind the scenes or negotiate a resolution on your behalf.

Once litigation has begun, having someone provide a company-centric perspective on the litigation, and an independent “second opinion” on the strength of your positions can be very helpful.

Litigation Checklist

| Stage / Event | IP Issues Implicated |
|--|---|
| Invitation to license or cease and desist letter | <ul style="list-style-type: none"> ⇒ Offensive (you own the patent) <ul style="list-style-type: none"> ✓ Determine internal goals, value of IP, and desired terms ✓ Draft carefully to avoid declaratory judgment lawsuit ✓ Follow up if no response ⇒ Defensive (you receive a letter from a patent holder) <ul style="list-style-type: none"> ✓ Wait for follow-up to gauge seriousness of inquiry (depending on industry, patent holder) ✓ Evaluate implicated products and value to business ✓ Evaluate applicability of indemnification provisions ✓ Determine relevance of IP to products (with IP attorney) ✓ Consider costs and benefits of design around v. license ✓ Determine goals, value of IP, and desired terms of license ✓ Consider having initial business discussion without attorneys ✓ Consider obtaining opinion of counsel (e.g., induced infringement) |
| Offensive lawsuit | <ul style="list-style-type: none"> ⇒ Institute litigation hold (IP litigation attorney can provide model) ⇒ Identify goals, value of IP, and desired resolution ⇒ Consider initial business discussion without attorneys ⇒ Consult with IP litigation attorney to conduct pre-litigation analysis ⇒ Ensure relevant documents are collected and preserved ⇒ Identify key witnesses; if former employees, consider retaining as consultants; retain experts |
| Patent troll lawsuit filed (defensive) | <ul style="list-style-type: none"> ⇒ See steps above defensive issues in response to invitation to license or cease and desist letter ⇒ Institute litigation hold (IP litigation attorney can assist) ⇒ Evaluate patent strength and troll's litigation / settlement history ⇒ Explore existence of any insurance ⇒ Determine whether a joint defense group has formed ⇒ Hire appropriate trial counsel to defend and move case towards desired resolution and explore reexamination or review at the PTO |

Patents



Example: Useful methods, processes, apparatuses.

Patents protect new and useful ideas across technologies. Patents are a “negative” right, meaning they give the holder the right to prevent others from using the technology, but they do not give even the patent holder the right to use the technology (as such use could infringe on another’s patent).

A patent must publicly describe how to make and use the invention. In return, the patentee receives a limited monopoly (currently 20 years from the date the first application was filed), after which the patentee can no longer prevent others from practicing the patented technology. This is a key distinction from a trade secrets (see p. 11.).

The U.S. patent system recently moved to a “first to file” system, which grants patent rights to the first inventor who files for (and eventually obtains) a patent from the U.S. Patent and Trademark Office. As a result, identifying inventions quickly and filing early patent applications can mean the difference between protecting your technology and facing infringement assertions from someone who filed before you. Setting up a robust patent program facilitates early identification of valuable inventions and timely filing of patent applications.

Patent Checklist

| Business Stage / Event | IP Issues Implicated |
|-------------------------------|--|
| Research / Development | <ul style="list-style-type: none"> ⇒ Identify patentable inventions ⇒ Conduct whitespace analysis to identify key patent focus areas ⇒ Take invention disclosures ⇒ Determine which patent applications to file ⇒ Prepare patent applications |
| Regulatory | <ul style="list-style-type: none"> ⇒ Track positions across agencies (U.S. and foreign) ⇒ Evaluate patent term extensions (bio and medical device only) |
| Product Launch / Distribution | <ul style="list-style-type: none"> ⇒ Perform freedom to operate analyses ⇒ Obtain opinion letters ⇒ Identify potentially patentable inventions ⇒ Coordinate filing of patent applications prior to launch |
| Acquisitions | <ul style="list-style-type: none"> ⇒ Offensive – conduct: <ul style="list-style-type: none"> ✓ Portfolio overview ✓ Competitive analysis ✓ Patent or portfolio valuation ⇒ Defensive – conduct: <ul style="list-style-type: none"> ✓ Patent searches ✓ Competitive analysis ✓ Due diligence ✓ Patent or portfolio valuation |
| Maintenance / Enforcement | <ul style="list-style-type: none"> ⇒ Perform periodic patent audits ⇒ Implement patent marking / tracking ⇒ Monitor competitors that may be violating patents ⇒ Evaluate, draft, send and monitor cease and desist letters ⇒ File patent lawsuits as needed ⇒ Manage patent portfolios |

Trademarks / Trade Dress / Copyrights



Examples: product names, distinctive packaging, books, songs.

Words, names, symbols or devices that identify and distinguish a company's goods or services may be protectable as trademarks or service marks under common law TM or as state or federally registered [®] trademarks with the U.S. Patent and Trademark Office as well as with foreign trademark offices. Trademarks are tied to their use in commerce and may be lost if not used or not enforced. Thus, it is important to monitor your marks and take appropriate action. Unauthorized use occurs when another's mark creates a likelihood of confusion as to the source of the goods identified by the marks.

Distinctive and recognizable product designs or packaging may be protectable as "trade dress." Like trademark, trade dress infringement may arise when others use designs or packaging that are similar enough to create a likelihood of confusion in the market.

Copyrights protect the original expression of ideas, such as books, music, documents, brochures, web site content, and software. Some works protectable by copyright may also find protection in design patents or trade dress. Copyrights need not be registered, but to maximize rights, notice should be given – such as © 2014 HIPLegal LLP, all rights reserved. To assert copyrights in litigation, the copyright must be registered with the U.S. Copyright Office. Statutory damages and attorneys' fees are only available when copyrights are registered.

Trademarks / Trade Dress / Copyrights Checklist

| Business Stage / Event | IP Issues Implicated |
|-----------------------------|--|
| General procedures | <ul style="list-style-type: none"> ⇒ Consider trademark issues when selecting names and logos ⇒ Implement policies to identify, clear, register, and enforce trademark, trade dress and copyright assets ⇒ Implement and enforce company policies for appropriate and consistent use of trademarks |
| Commercial launch | <ul style="list-style-type: none"> ⇒ Identify trademarks / trade dress / copyrights ⇒ Evaluate distinctiveness of TM (arbitrary, suggestive, descriptive, generic) ⇒ Conduct clearance search ⇒ Register trademarks / trade dress / copyrights |
| Maintenance and Enforcement | <ul style="list-style-type: none"> ⇒ Periodically audit trademarks / trade dress / copyrights ⇒ Monitor trademarks / trade dress in the marketplace ⇒ Evaluate, draft, send and monitor cease and desist letters ⇒ Institute oppositions before the Trademark Trial and Appeal Board against marks that may cause confusion ⇒ File lawsuits as needed |

Trade Secrets



Examples: customer lists; know-how; manufacturing processes.

A trade secret is technical or non-technical information that is not commonly known, has economic value because it is not known to others, and is maintained as confidential. Properly protected trade secrets have no expiration – as long as they are maintained as secrets, through reasonable efforts, and they have a commercial value, generally they can be enforced. Trade secret law differs state-by-state.

Some ideas are capable of being protected either as a patent or as a trade secret, but deciding which type of protection to seek should be made early, because once information is publicly disclosed in a patent, it cannot be a trade secret. Developing IP best practices provides the tools to make these decisions before protection is lost, maximizing the value of your IP.

If you decide to maintain information as a trade secret, it is critical to set up procedures to ensure it remains confidential. Companies approach this differently, depending on their resources and the significance of the trade secret. At its most rigorous, a trade secret program would include processes for (1) identifying, (2) valuing, and (3) establishing specific protocols for protecting the trade secrets.

Note: if information can be “reverse engineered” (figured out) from public information, it is not a trade secret, though carefully drafted contracts may provide alternative protection.

Trade Secret Checklist

| Business Stage / Event | IP Issues Implicated |
|--|--|
| Establish strategic approach | <ul style="list-style-type: none"> ⇒ <u>Minimalist</u>: set up basic protection; simple marking; no tracking ⇒ <u>Moderate</u>: set up basic policy for identifying, marking, and tracking of key trade secrets; periodic audit / enforcement of procedures ⇒ <u>Rigorous</u>: set up detailed policy for identifying, marking, and tracking; extensive oversight / enforcement of procedures |
| Identification | <ul style="list-style-type: none"> ⇒ Perform periodic trade secret audits to identify trade secrets ⇒ Implement processes for identifying, marking and tracking trade secrets |
| Protection (depending on strategic approach) | <ul style="list-style-type: none"> ⇒ Implement and enforce procedures and policies, including <ul style="list-style-type: none"> ✓ Employment agreements (entrance / exit) and employee training ✓ Access management (physical, electronic, legal) ✓ Document management / labeling ✓ Confidentiality / non-disclosure agreements (internal / third party) ✓ Digital risk evaluation / management / protection |
| Valuation | <ul style="list-style-type: none"> ⇒ Conduct competitive analysis, market analysis, product analysis |
| Employee transitions | <ul style="list-style-type: none"> ⇒ Set up and enforce entrance procedures <ul style="list-style-type: none"> ✓ Ensure new employees do not bring former employer secrets ✓ Inform of trade secret policies / procedures ✓ Include policies / procedures in employee handbook ⇒ Set up exit procedures <ul style="list-style-type: none"> ✓ Remind employees of confidentiality obligations ✓ Enforce exit procedures to ensure trade secrets are not taken ✓ Require return of confidential and trade secret information |



Delivering Practical IP Solutions

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