

Intellectual Property *Matters*

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What is intellectual property?

- Patents
- Trademarks
- Copyrights
- Trade Secrets / “know-how”

What is a Patent?

- A grant of property rights by the U.S. Government through the U.S. Patent and Trademark Office (USPTO) and other governments.
- Can ***exclude*** others from making, using, selling, or offering to sell the patented invention in the United States.
- Does ***not*** provide a right to use the patented invention.
- In general, **20 year** term from filing of patent application, ***not renewable***.

What can be patented?

- Any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement.
- Laws of nature, physical phenomena, and abstract ideas are **not** patentable subject matter.
- E.g.: novel products, components, manufacturing processes, control systems, processes implemented with software/hardware, business methods.



Some examples of effective patents

- Drugs
- Consumer products
- Manufacturing and materials processing
- One-click online shopping

Are patent applications disclosed to the public?

- Patents are granted in exchange for a full disclosure of the invention to the general public.
- In the U.S., patent applications are generally published 18 months after earliest filing date.
- After grant of patent, you have the right to take legal action against infringing acts - compensatory damages and injunctive relief

What is a Trademark?

- A word, name, symbol, or device that is used in commerce with goods or services, in some cases, smell and color.
- Indicates the source of the goods/services and to distinguish them from the goods/services of others.
- Can ***exclude*** others from using a confusingly similar mark in the United States.
- **10 year** term from registration of trademark, ***renewable***.

What is a Copyright?

- Original works of authorship.
- Copyright vested in creation of works; registration required for enforcement.
- Literary, dramatic, musical, artistic works, and software
- Can **exclude** others from reproducing, distributing, performing, displaying, distributing, and preparing derivative works of the copyrighted work.

What is a Trade Secret?

- A ***confidential*** practice, method, process, design, information used by a company to compete with other businesses.
- Protected for as long as there is no “public” disclosure of the secret.

Why is intellectual property relevant to your business?

- Can generate income through licensing, sale, or commercialization of the IP-protected products or services.
- Can enhance the value your business in the eyes of investors and financing institutions.
- Can prevent competition from entering the marketplace.

Are patents relevant to my business?

- Common misperception: patents only apply to complex physical or chemical processes and products or are only useful to large corporations.
- Most patents are granted for less significant inventions, including improvements that make the products or processes more efficient or more marketable.
- If you have systems, products, processes that provide competitive advantage and are eligible for patent protection – YES!

Reasons for patenting your inventions

- Exclusive rights.
- Strong market position.
- Higher returns on investments.
- Opportunity to license or sell the invention.
- Increase in negotiating power.
- Positive image for your business.



Why are trademarks crucial for marketing the products/services of your business?

- Differentiate your products/services.
- Promote your products/services and create a loyal clientele.
- Guarantee of consistent quality.
- Market your product/services in foreign countries.

Using intellectual property assets to finance your business

- Can help strengthen your business for obtaining finance from investors/lenders (banks, venture capitalists, angel investors)
- Exclusivity results in higher market share if the product/service proves successful among consumers.
- Investors/lenders view IP assets as a source of competitive advantage for businesses.

Questions to consider when integrating IP into your business planning process

- ❑ What IP assets do you own/do you plan to develop?
- ❑ What is the status of your IP portfolio?
- ❑ How do you plan to protect your IP assets?
- ❑ How important are IP assets to the success of your business?
- ❑ Do you own all IP assets that you need, or do you have to rely on IP assets owned by others?
- ❑ Do you know enough about your competitor's IP strategies and IP portfolios?
- ❑ Do you have an IP policy and IP strategy for your business?

How can intellectual property enhance the export opportunities of your business?

- IP rights are ‘territorial’.
- Patents may open up new export opportunities.
- Trademarks may help you to develop an advantageous market position in export markets.
- IP rights enhance the opportunity of winning loyal clientele for your products and services in export markets.

Exporting your patented products

- Produce products domestically and export the protected products directly or through intermediaries.
- License the invention to a foreign company that will manufacture the product locally, in exchange for a lump-sum payment and/or royalty fees.
- Set up joint ventures with other companies for manufacturing and/or commercialization of the product in the selected foreign markets.
- Earn additional revenues either through direct sales of the product or through fees and/or royalties from a licensee.

When should you protect your intellectual property abroad?

- Patents -12 months from the date of the first filed U.S. patent application.
- Trademarks – 6 months from the date of the first filed U.S. trademark application.



Managing the intellectual property assets of your business

- IP Acquisition
- IP Exploitation
- IP Monitoring
- IP Enforcement

Some important steps to be considered while developing an intellectual property strategy (How not to “blow” it!)

- Identify patentable subject matter and patent early before public disclosure/use and before offers for sale.
- Do not publish or share, and offer for sale patentable inventions with others before filing a patent application.
- Perform trademark searches before launching a new product/service with a new brand name.
- Keep trade secrets within the company and prepare confidentiality agreements to protect the trade secrets.

Important steps continued..

- Make sure IP is protected in all potential export markets.
- Use your IP portfolio as leverage when seeking sources to finance your business.
- Resolve ownership issues of IP generated before conducting joint research with other companies.
- Monitor the market and make sure that your IP assets are not being infringed.

Licensing of intellectual property rights

- Licensing agreement = partnership between an intellectual property rights owner (licensor) and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee or royalty).
- Technology License Agreement
- Trademark Licensing Agreement
- Copyright License Agreement

Disputes related to intellectual property

- “Cease and desist”
- “Invitation” to license
- Litigation
- Arbitration and mediation

Getting the best out of intellectual property protection

- Seek protection early.
- Check to make sure that your business does not infringe the IP rights of others.
- Use your IP rights in your advertisements and other promotional activities.
- Monitor the market for infringement of your IP rights.

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Victor King's Credentials:

- Patent Attorney, Speckman Law Group PLLC, Seattle.
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- Research Associate – Corixa Corp., Zymogenetics.
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