

Don't Underestimate the Significance of Intellectual Property

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- Assists clients with identifying, enforcing, and protecting their intellectual property rights, including trademarks, copyrights, and trade secrets; managing both domestic and international intellectual property portfolios; securing intellectual property development and licensing rights; and negotiating the acquisition and transfer of intellectual property
- Experienced in the trademark prosecution process and routinely prepares, files, and prosecutes trademark and service mark applications, as well as litigating opposition and cancellation proceedings before the United States Patent and Trademark Office
- Certified by the North Carolina State Bar as a Board Certified Specialist in Trademark Law

Intellectual Property

- Intellectual property ("IP") is the ownership of ideas and control over the tangible or virtual representation of those ideas.
- IP is a product of intellect that has commercial value – with legal attributes.
- All businesses own and license IP, whether they know it or not.

Trademarks

- Trademarks are distinctive symbols, pictures, or words that are used to identify and distinguish the source of one good or service from another.
- U.S. Trademark Law affords trademark owners the right to prevent third parties from using *identical or confusingly similar* trademarks on goods or services that are the *same or related* to the trademark owner's goods or services.

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Why are Trademarks Important to Businesses?

- Identify and Distinguish Company
- Effective Marketing Tool
- Protect Against Imitators
- Presents Consistent and Perpetual Image to Customers

Avoiding and Mitigating Trademark Risks

- Trademark Identification and Selection
 - Avoid using trademarks similar to competitors
 - Avoid using descriptive trademarks
 - Logo ownership
- Trademark Use
 - Comparative Advertising Only
 - Licensing
- Trademark Enforcement
 - Failure to appropriately police and enforce a trademark can result in the loss of the trademark
 - Cyber Squatters

Copyrights

- Copyright law protects the rights of authors in their creative *expression* of an original work of authorship that is fixed in a *tangible* medium.
- Copyright law *does not* protect works that are not in a "fixed medium;" titles, names, and slogans; ideas, facts, and data; list of contents or ingredients; and, works in the Public Domain.

Why are Copyrights Important to Businesses?

- Website(s)
- Labels and Packaging
- Photographs and Graphic Images
- Flyers and Brochures
- Software Licenses
- Architectural Drawings
- Music or Muzak

Copyright Misconceptions

- Material posted without a copyright notice is not protected by copyright law.
- Copyrights must be registered with the federal government.
- Publically available materials (e.g., materials on the internet) are in the Public Domain and free to use.
- Physical ownership of a work is the same as owning the copyrights.
- Attributing to the author is sufficient.
- Another professional, such as a design company, provided it, so, we own it and have the right to use it.

BEWARE: Unintentional Infringement

- Photocopying materials such as magazine articles, pictures, or research reports for circulation among colleagues.
- Emailing scanned copies of protected materials.
- Copying and pasting of text, pictures, music, and other protected works on external and internal websites, pamphlets, or other promotional material.
- Expiration of or use outside of the terms of existing software licenses (e.g., increase number of users of software, failure to renew, move locations, etc.).
- Expiration of or use outside of the terms of promotional material licenses (e.g., photographs in pamphlets, graphics on website, etc.).

Avoiding and Mitigating Copyright Risks

- Communicating, training, and providing resources on copyright information to employees;
- Copyright Policy in Employee Handbook;
- Placing notices on copy machines;
- Use of contracts with Independent Contractors, such as marketing firms and web designers, that address copyright issues, such as ownership and liability;
- Copyright clearance companies; and,
- Be prepared by determining what types of copyright infringement, if any, is covered by the organization's general business insurance policy.

Trade Secrets

- Generally any information that derives its economic value from not being generally known and which the owner has made reasonable efforts to keep secret.
- Just like other forms of IP, trade secrets can be sold, licensed, taxed, and inherited.
- Take reasonable precautions to prevent its disclosure
 - No public access (out of plain view)
 - Viewed only under confidentiality agreement
 - Keep secured (password protected, locked up, etc.)

Why are Trade Secrets Important to Businesses?

- Formulas
- Customer Lists
- Marketing Plans
- Financial Data
- Information in Databases
- Other information that provides a competitive advantage

Avoiding and Mitigating Trade Secret Risks

- Make reasonable efforts to maintain trade secret information.
- Provide training and resources on trade secrets to employees.
- Employee agreements with appropriate confidential information/trade secret provisions.
- Ensure confidential information/trade secret policy is in Employee Handbook.
- New hire interviews to ensure no trade secret of another is brought in.
- Exit interviews to ensure exiting employee is aware/reminded of confidentiality obligations.
- Use of confidentiality agreements with vendors and contractors.

Patents

- Grant of a property right from the Government to an inventor
 - Limited monopoly
- Provides the inventor/owner the right to exclude others from making, using, offering for sale, selling in the U.S., or importing into the U.S. the patented invention
 - Exclusionary rights: patent does NOT give the patentee the right to make, use, or sell the patented invention

Why are Patents Important to Businesses?

- Protect valuable innovations (technology, software, business practices)
- Secure exclusivity - freedom to operate in a particular market
- Can use IP to compete nationally, globally, or with larger competitors
- Use defensively to avoid or mitigate infringement liability - ward off would-be aggressors
- Improve negotiation strength to access a market/technology – cross license

Mitigating Risk of Patent Infringement Liability

- Ensure vendors and/or designers have provided appropriate indemnification provisions in their agreements to protect against patent infringement claims.
- Prior to launching new products/services, conduct a "clearance search" for existing patents.
- Maintain compliance with the terms of use in license agreements (e.g., license agreement for use of third-party software).



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