



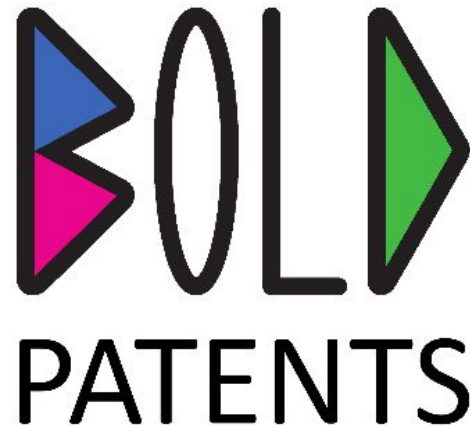
Intellectual Property Licensing Law

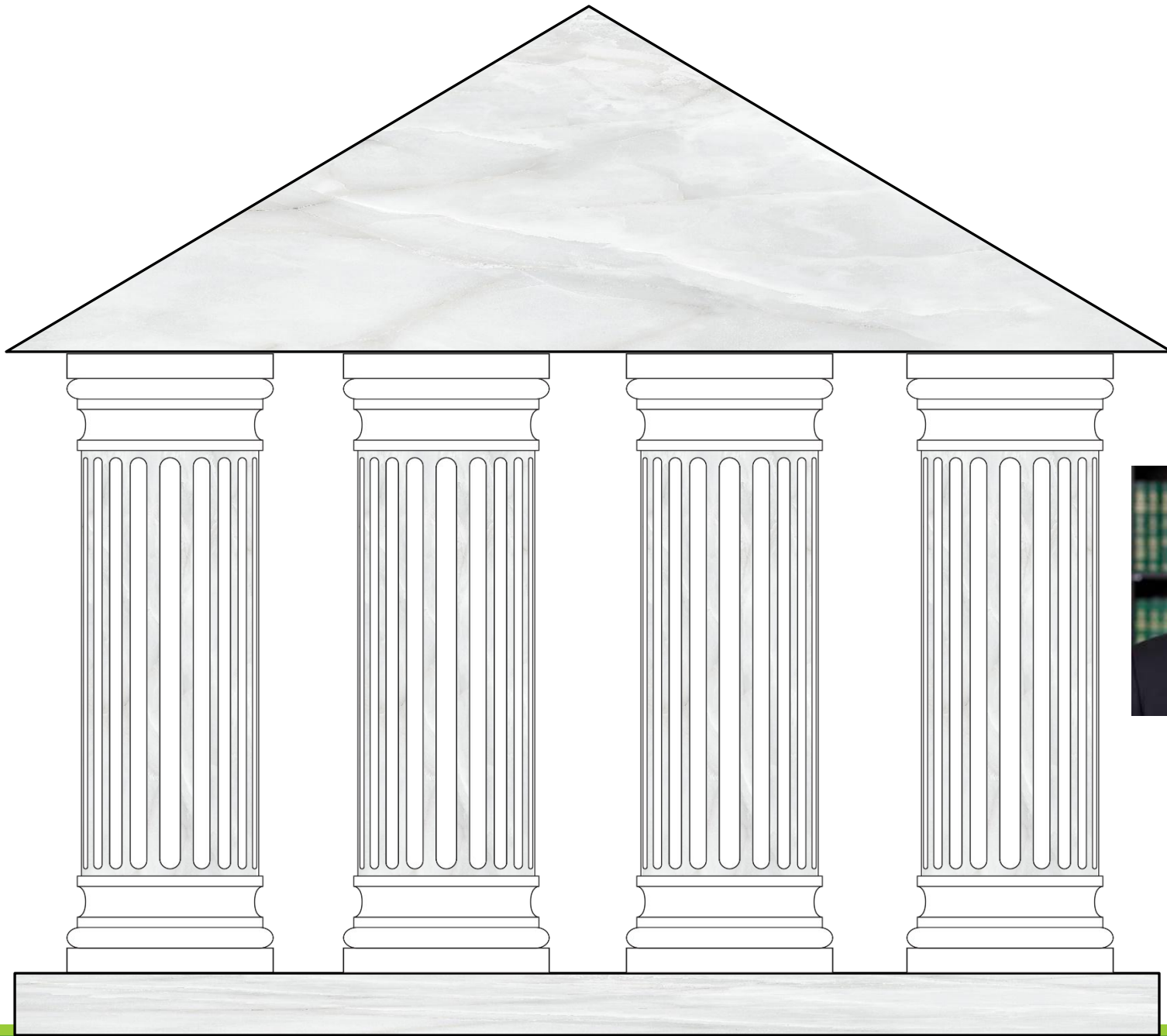
Welcome to the presentation!

Please :

- Sign up using the iPad to get newsletter, e-book, consult
- Take a copy of *Bold Ideas: The Inventor's Guide to Patents*
- Handout slide packet (with space for taking notes)

We will get started around 12:00 PM!



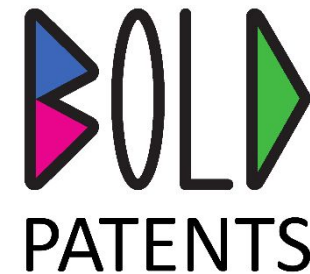


Intellectual Property Licensing Law



**J.D. Houvener, ESQ, MBA,
PE founder of Bold IP, PLLC**

August 19, 2019



Agenda

- **12:00-12:10** Introductions/Around The Room
- **12:10-12:30** Legal Basics on 4 Pillars of IP
 - Patents, Copyright, Trademarks, and Trade Secrets
- **12:30-12:40** Q&A on Law Section
- **12:40-1:10** Key Terms in License Agreement
 - Grant Clause, Exclusivity, Geographic Scope, Timing, Performance, and Royalty Rate/Payment
- **1:10-1:20** Example Agreements:
 - Comarco/Targus (Patent) and Stanley/Sears (Trademark)
- **1:20-1:30** Q&A



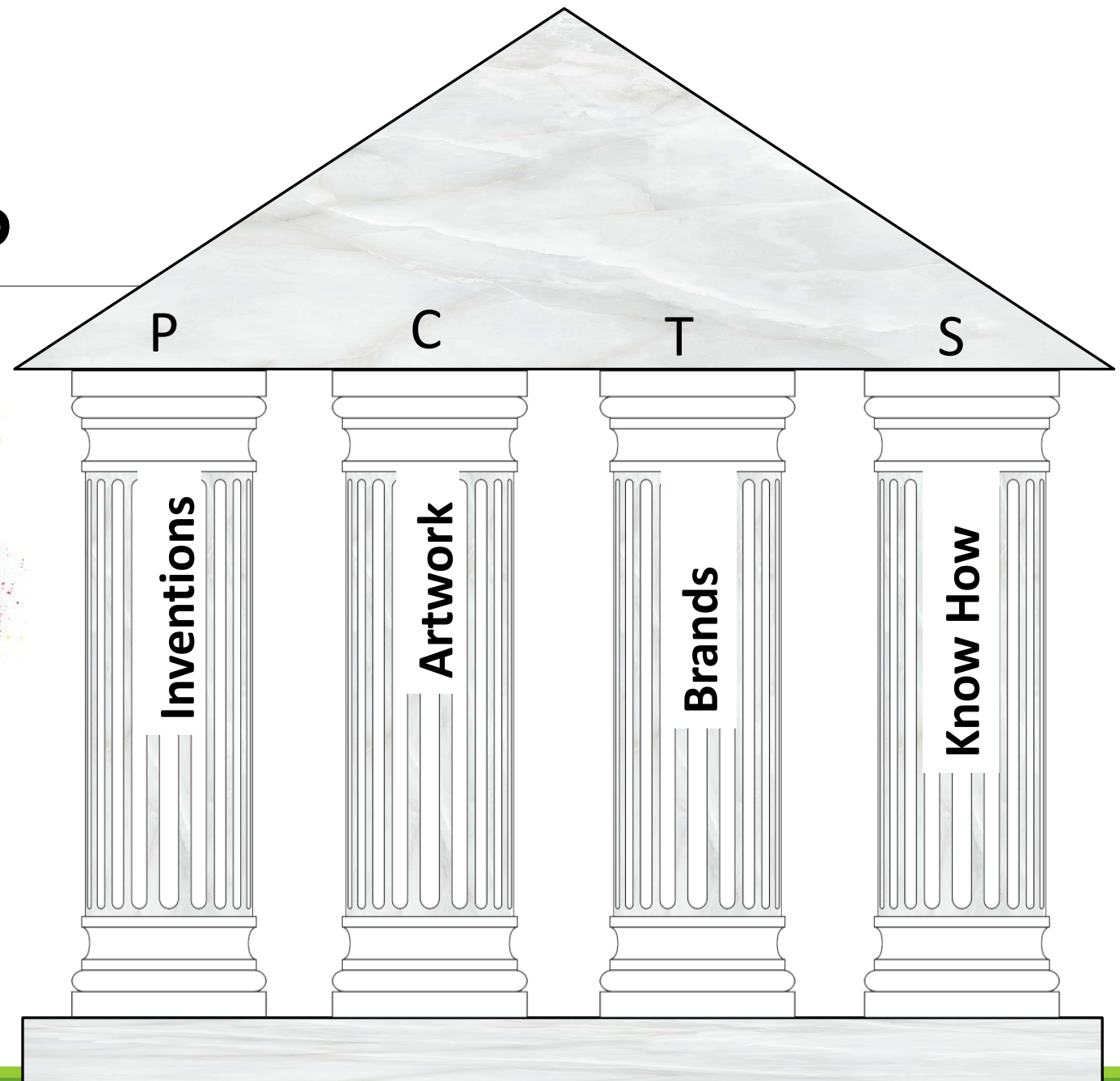
Around the Room...

1. Tell us Your Name
2. Company Name (If applicable)
3. Product or Service Sold
4. What You Want to License



The 4 Pillars of IP

- Patents
- Copyrights
- Trademarks
- Trade Secrets



Patent Law Premise

A Patent gives an inventor the right to exclude others from making, using, selling, or importing the invention into the US (or other countries) for a period of 20 years from the date of filing.



Does My Invention Qualify?

Test for Patent Eligibility:

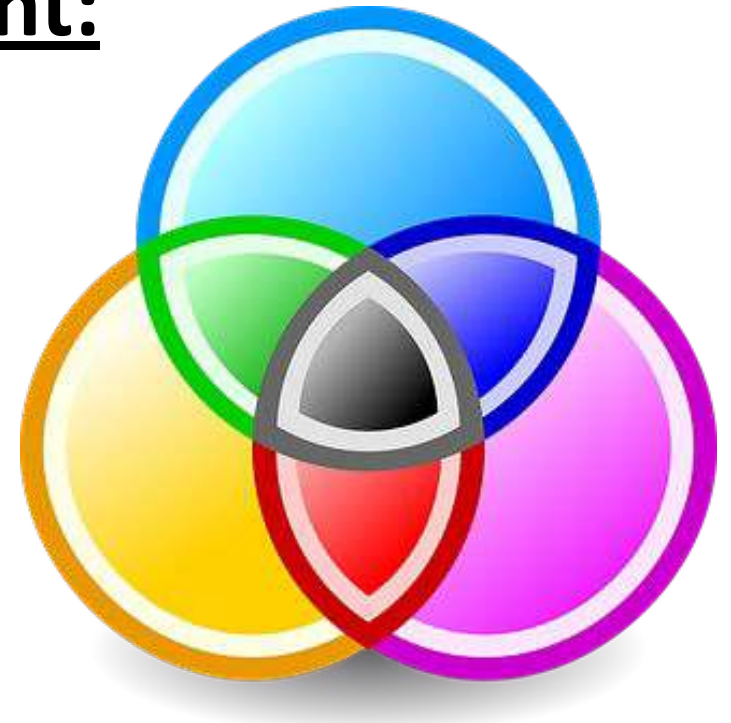
- Machine (e.g. Apparatus)
- Manufacture (e.g. Assembly)
- Composition of Matter (e.g. Chemical)
- Process (e.g. Method)



How do I get a Patent?

Three requirements to get a patent:

- Novelty
- Non-obviousness
- Utility



Implications of America Invents Act (AIA) of 2013

Three Main Law Changes

- First to File instead of First to Invent
- Worldwide Prior Art
- Patent Trial and Appeal Board (PTAB)



What Timing Considerations are There?

Statutory Bars & Considerations

- Pre-Filing Sales and Offers
- Pre-Filing Disclosures
- Non-Disclosure Agreements
- Nonprovisional Reference

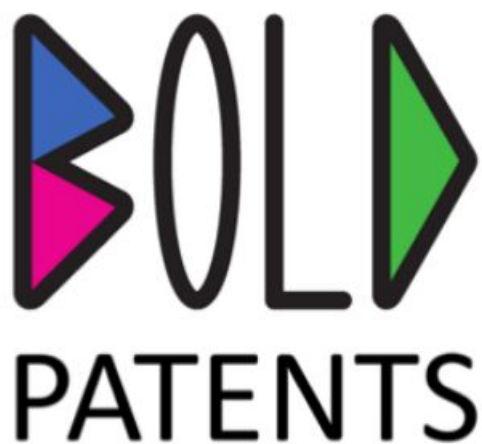


What if Someone Infringes on My Patent?

Mechanisms for Enforcement

- Validity Opinion
- Infringement Opinion
- Cease & Desist
- Settlement
- Arbitration
- PTAB
- Federal Court
- ITC





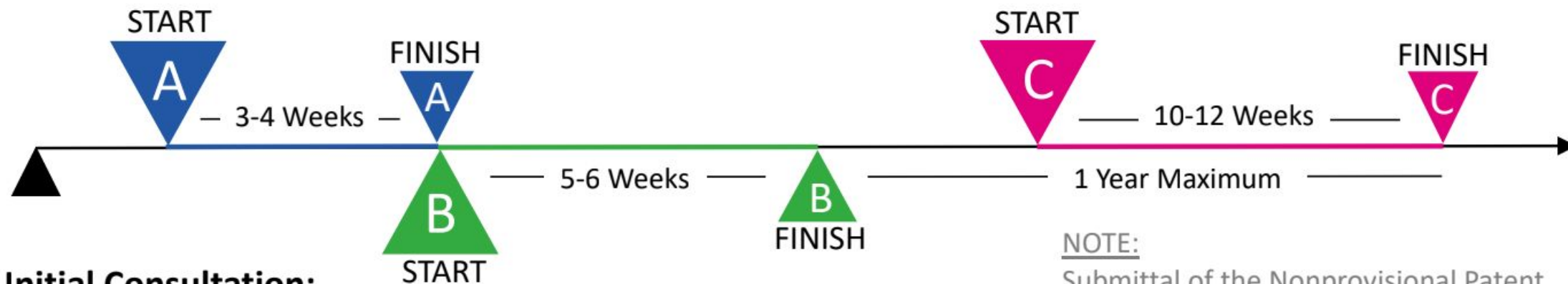
A-B-C Patent Application Process Flow

Patentability Search & Opinion:

- Takes 3-4 Weeks
- Answer on Patentability/Scope
- Recommended Path Forward
- \$2,500 - \$5,000

Nonprovisional Patent Application:

- Takes 10-12 Weeks
- Update Specification/Drawings
- Draft Claim Language
- \$10,000 - \$20,000



Initial Consultation:

- Eligibility Issues
- Inventorship/Ownership
- Long-Term Business Goals

Provisional Patent Application:

- Takes 5-6 Weeks
- "Patent Pending" status
- Develop *Enabling Disclosure*
- \$5,000 - \$10,000

NOTE:

Submittal of the Nonprovisional Patent Application "C" must be done within 1 year of submittal of the Provisional Patent Application "B" date.

www.boldpatents.com
800.849.1913

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Copyright: Fundamentals



Copyright Law Premise

A Copyright registration provides prima facie evidence for at least one author of a creative work with regard to content, timing, ownership, and use requirements.



Do I Have a Copyright?

3-Part Test for Copyright Protection:

- Independent Original Creation
- Fixed in Tangible Means
- Artistic Expression
- * Note: Created under Common Law



Different Types of Copyrights?

Different Types of Copyrights:

- Written
- Visual
- Sculptural
- Musical
- Performing



Copyright Law: The Copyright Act

Key Legal Concepts:

- Constructive Notice via Publication
- Fair use Doctrine
- No requirement of novelty
- Proper notice of copyright ©
“Copyright, 2019”



What Timing Considerations are There?

Timing Considerations

- Who created the original work (looking at derivatives and look-alikes) it's important who created the original first
- Filing a copyright *prior* to court case/suit will allow much easier time for plaintiff asserting infringement

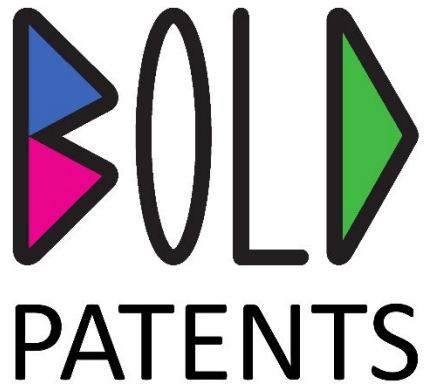


What if Someone Infringes my Copyright?

Mechanisms for Enforcement

- Infringement Opinion
- Cease & Desist
- Settlement
- Arbitration
- Federal Court





Simplified

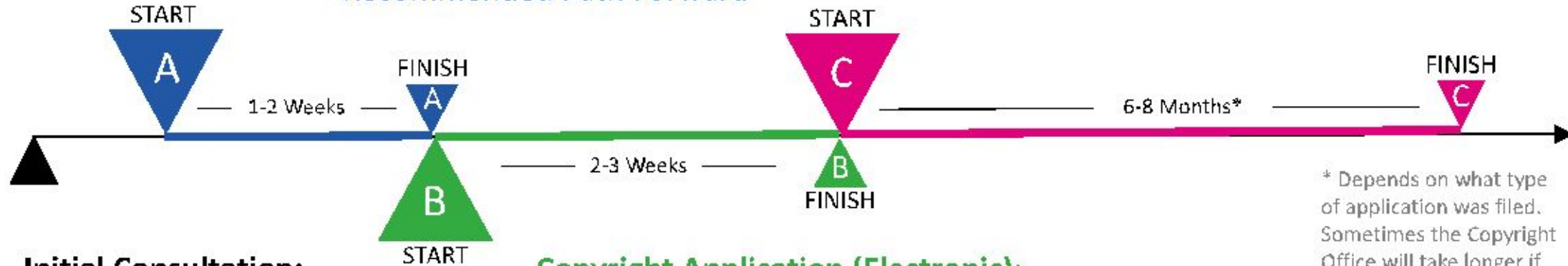
A-B-C Copyright Application Process Flow

Authorship/Creation Information:

- Takes 1-2 Weeks
- Collect Information about Creation
- Recommended Path Forward

Registration:

- Takes 6-8 Months*
- Confirm Registration Information



Initial Consultation:

- Eligibility Issues
- Ownership/Authorship
- Goals of Individual/Business
- eCO (Electronic Registration)

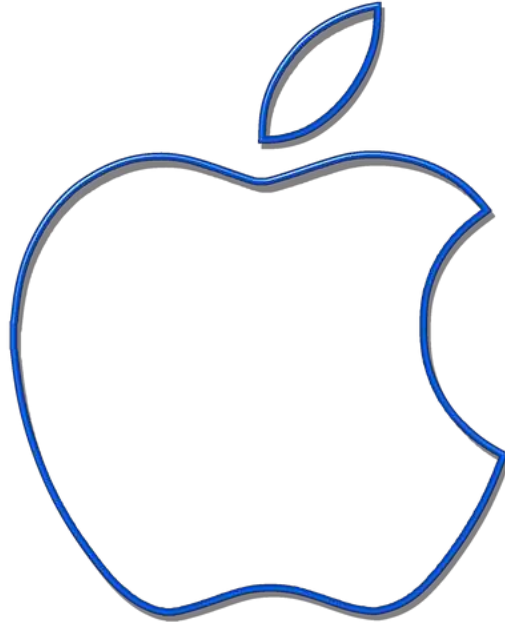
Copyright Application (Electronic):

- Takes 2-3 Weeks
- Title, Publication Description, Author, Claimants, Limitations, Rights, Correspondent, Mail Certificate, Handling, Certification
- Payment of Fee

* Depends on what type of application was filed. Sometimes the Copyright Office will take longer if physical specimens are submitted. Electronic Submissions take typically 6-8 months and paper submissions take around 8-10 months

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Trademark Law



Trademark Law Premise

A Federal Trademark registration gives a business or brand owner the right to exclude others from using a word or design mark within one or more legal classifications for as long as the mark is in use.



Do I Have a Trademark?

3-Part Test for Trademark Protection:

- Distinctiveness / Not Confusingly Similar
- Used in Commerce
- Source Identifying
- * Note: Created Under Common Law



Different Types of Trademarks?

Different Types of Trademarks:

- Word Marks
- Design Marks
- Service Marks
- State Marks



Trademark Law: The Lanham Act

Key Legal Concepts:

- First in Use Get Priority
- USPTO Search & Examination
- Trademark Trial and Appeal Board (TTAB)
- Common Law rights prior to registration



What Timing Considerations are There?

Timing Considerations

- Best to FILE even before use as an “intent-to-use” to make sure no one else files before you or shows evidence of use in commerce
- USPTO will Publish for Opposition (30 days)
- Must show *Continuous use* throughout
- Proper Notice of Trademark is TM until you have registration, then it's [®]

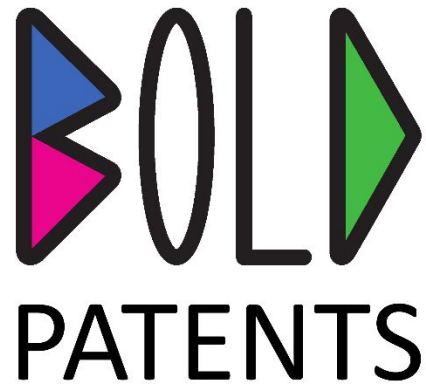


What if Someone Infringes my Trademark?

Mechanisms for Enforcement

- Infringement Opinion
- Cease & Desist
- Settlement
- Arbitration
- TTAB
- Federal Court





Simplified

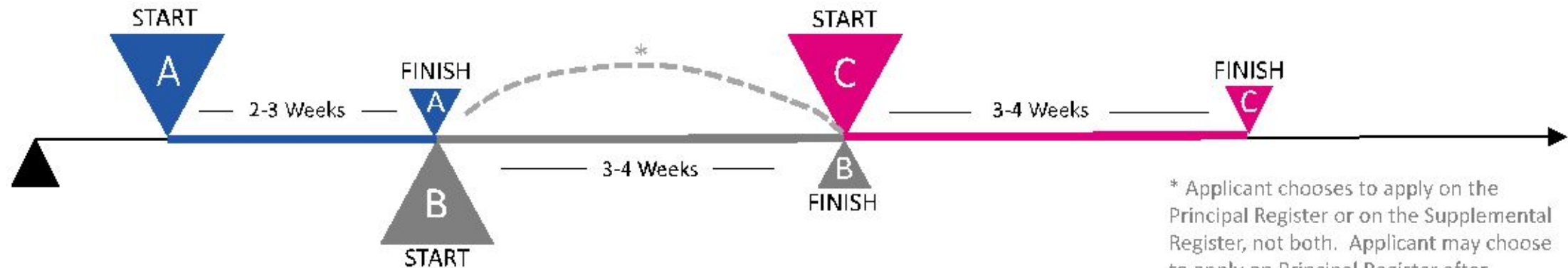
A-B-C Trademark Application Process Flow

Trademark Search:

- Takes 2-3 Weeks
- Answer on Trademark Availability
- Recommended Path Forward

Principal Register Trademark Application:

- Takes 3-4 Weeks
- Detailed list of goods/services **
- Description of the mark
- Grants trademark national recognition and protects from infringement throughout US



Initial Consultation:

- Eligibility Issues
- Ownership
- Areas of Commerce
- Goals of Business

Supplemental Register Trademark Application:

- Takes 3-4 Weeks
- Detailed list of goods/services
- Description of the mark
- Grants trademark recognition in specific state and protects from infringement in that state

* Applicant chooses to apply on the Principal Register or on the Supplemental Register, not both. Applicant may choose to apply on Principal Register after trademark is registered on Supplemental Register, but usually not vice versa.

**When applying for a trademark on the Principal Register, can apply for a mark already in use or can apply on an intent to use basis.

Trade Secret Law



Trade Secret Law Premise

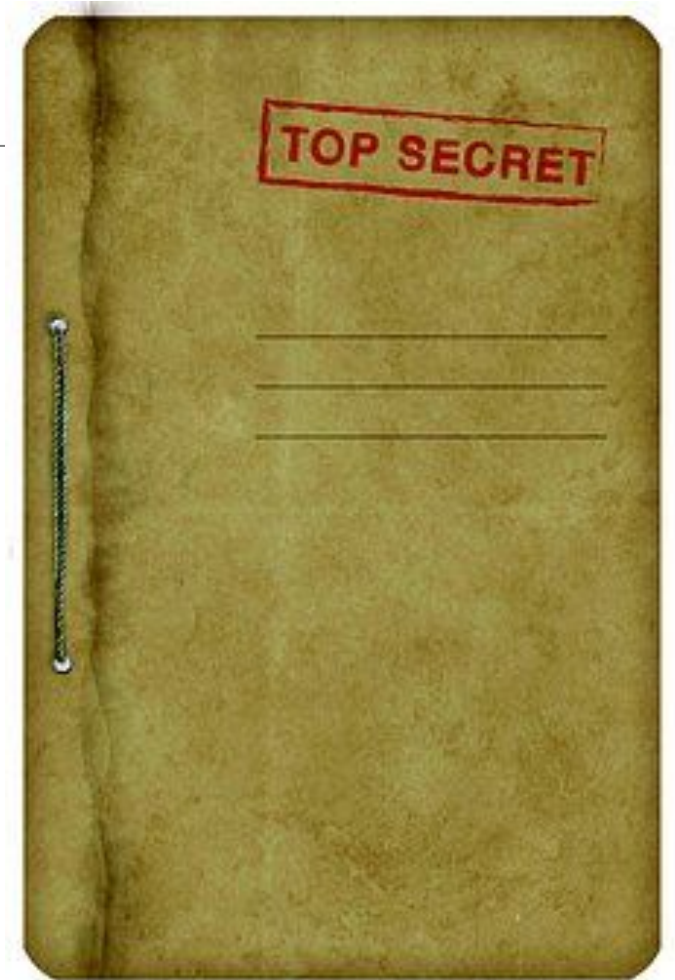
A Trade Secret is confidential information that is valuable, not readily ascertainable and is kept secret from the public. State and Federal laws allow enforcement against those individuals who steal/misappropriate them.



Do I Have a Trade Secret?

3-Part Test for Trade Secret Protection:

- Not Readily Ascertainable
- Efforts to Keep Secret
- Economically Valuable



What Can Trade Secrets Be?

Common Types of Trade Secrets:

- Customer Data
- Business Processes
- Manufacturing Methods
- Formulas and Processes
- Software



When Do Trade Secrets Get Discussed?

When To Think About Trade Secret

- Employment Agreements
- Nondisclosure Agreements
- Employee Exit Interviews
- Computing Security (Virtual)
- Office Security (Physical)



How Do I Enforce Trade Secrets?

Remedies for Misappropriation:

- Employee Monitoring
- Settlement/Arbitration
- State Court (Under State Statute)
- Federal Law (Defend Trade Secrets Act)



Uber and Waymo have reached a settlement in their trade secrets lawsuit, lawyers for the companies told a federal court in San Francisco Friday morning.

Waymo, which was Google's self-driving car program, had alleged its former engineer Anthony Levandowski downloaded autonomous vehicle trade secrets and took them to Uber.

Waymo accepted a settlement offer from Uber, which agreed to a deal that includes 0.34% of Uber's equity at a \$72 billion valuation, which works out to about \$245 million, two sources familiar with the matter said. Waymo had initially asked for maximum damages of \$1.8 billion.

How Do I Make Money With Trade Secrets?

Trade Secret Monetization:

- Competitive Advantage Beyond 20 yrs
- License/Transfer Technology
- Potential Patentability



Q&A on IP Law Section



IP Licensing Law: Key Negotiation Points

- 1) Definitions
- 2) Grant Clause
- 3) Exclusivity
- 4) Geographic Scope
- 5) Timing
- 6) Performance
- 7) Payment



Definitions

Answering: What does that term mean?

- Licensee vs. Licensor
- Wards off Litigation Troubles
- Helps with Negotiation
- Can contract to define terms outside of ordinary dictionary meaning



The Grant Clause

Answering: What is being licensed?

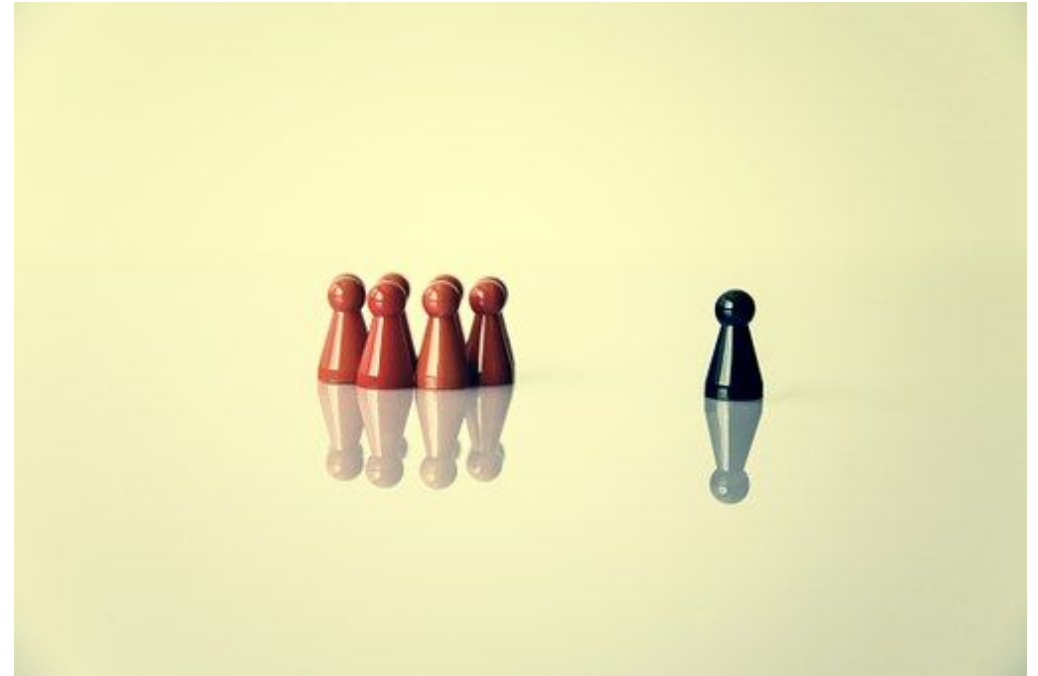
- Entity or Individual Giving Rights
- Entire Right or License Back
- Pending Rights
- What is NOT licensed is defined
- Usually defined in a “Schedule”
- Family of Rights (Brands/Sub-brands and Patent Parents/Children)



Exclusivity

Answering: Who else gets a license?

- Exclusive License
- Non-Exclusive License
- Partial Right Exclusivity
- Additional Duties as Licensee



Geographic Scope

Answering: Where do they get a license?

- Limited to Country of IP Grant
- Intra-Country / State-Specific Grants
- International Rights (Incl. Pending)
- Exclusivity as to Geography
- Doing Business vs. Marketing Scope



Timing

Answering: How long do they get a license?

- Typically less than Full Term of Rights
- Renewal Terms
- Performance Dates
- Automatic Contractual Provisions



Performance

Answering: How must they use the license?

- Sales / Profitability Minimums
- Volume / Quality Minimums
- 3rd party/Market dependencies/conditions
- Litigation Requirements



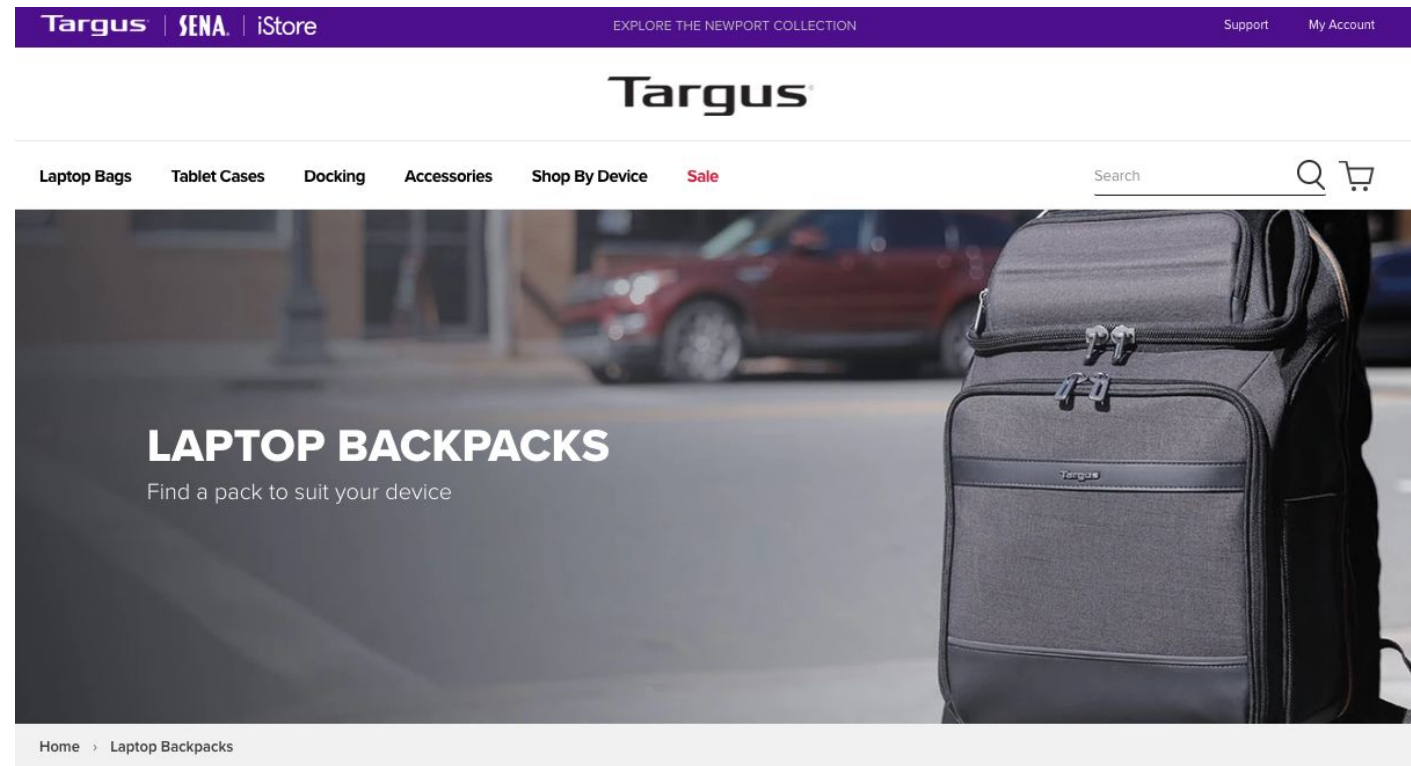
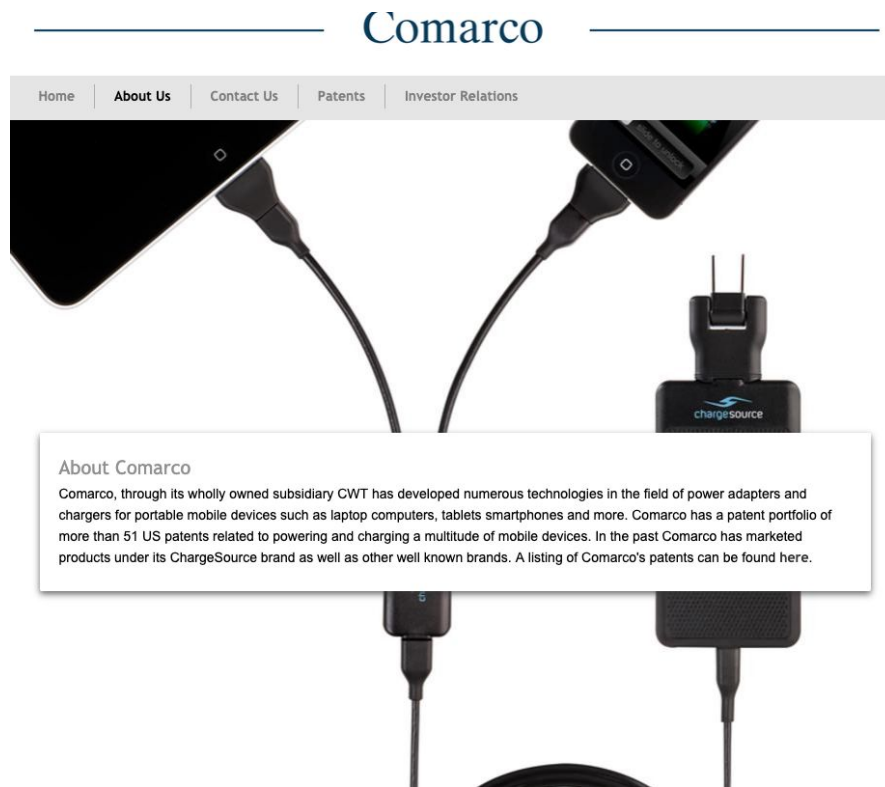
Payment

Answering: How much does the license cost?

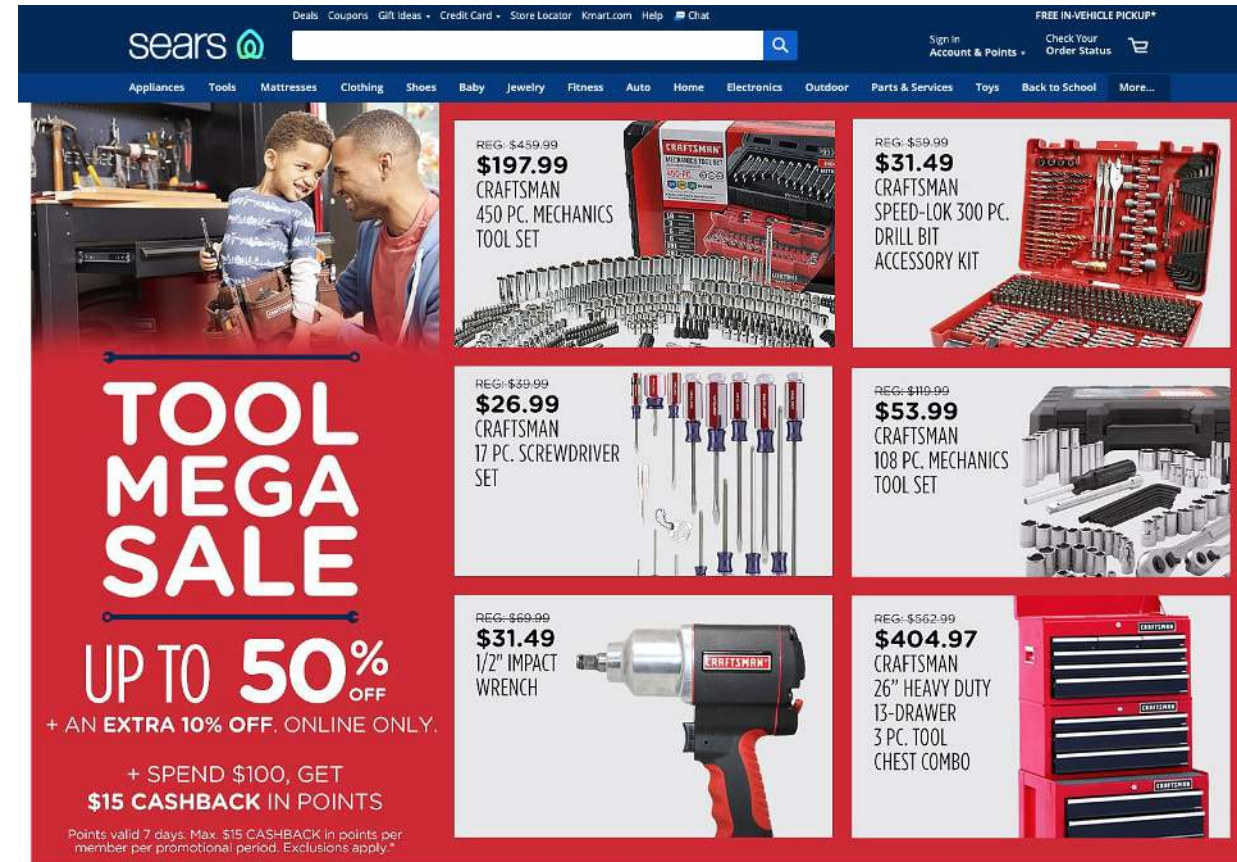
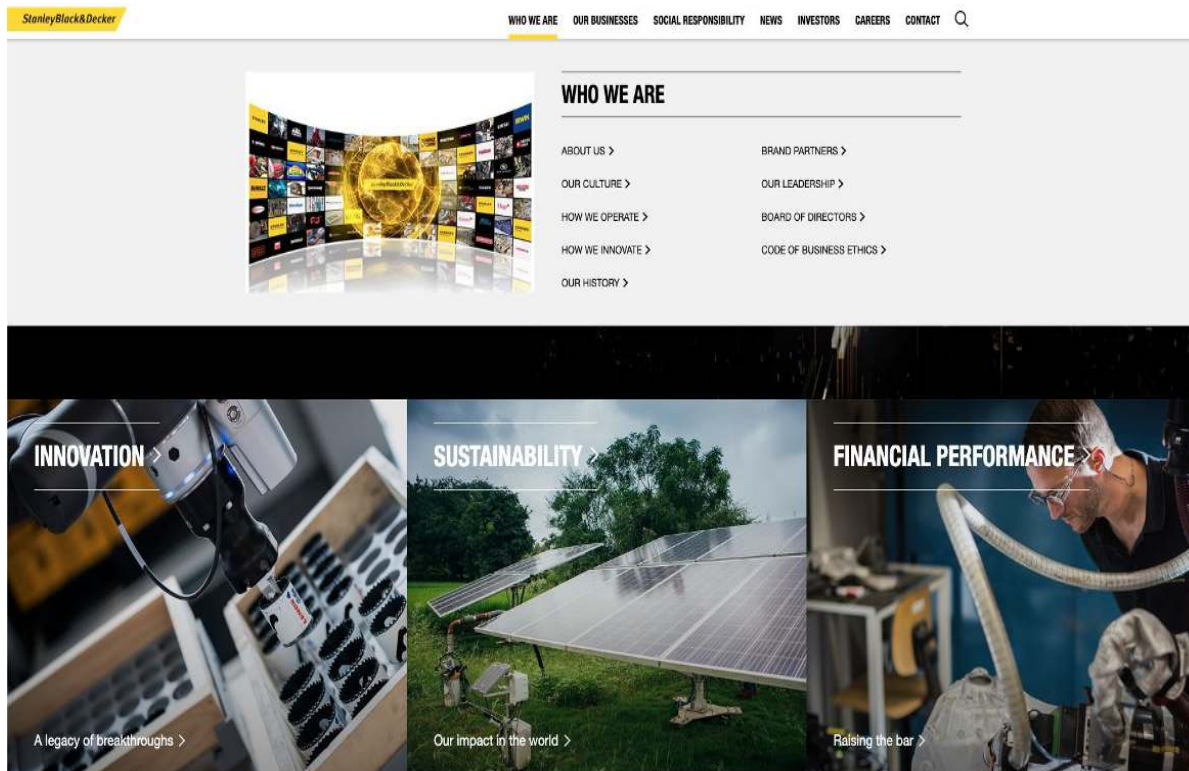
- Lump-Sum Payments
- Installments
- Royalty based on Net Sales or Gross Sales
- Rates Vary widely 5% is typical
 - Can be higher for Tech
 - Can be lower for Consumer Products



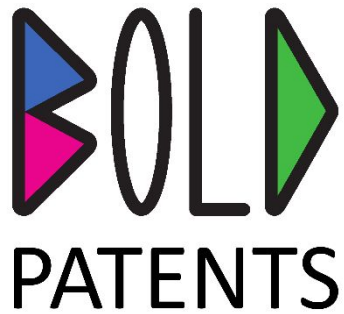
Example License #1: Comarco / Targus



Example License #1: Stanley / Sears



Thank you! Questions?



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let's
DISCUSS

