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PROTECTING INTELLECTUAL PROPERTY

November 28, 2012

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Topics

- Types of Intellectual Property
- Government Funded Development
- University Licensing

Types of Intellectual Property

- Patents
- Trade Secrets
- Copyrights
- Trademarks

Patents

- NOT a right to practice
- ONLY a right to exclude
  - For articles: making, selling, using or importing the article
  - For processes: running the process, and selling, using or importing articles made by the process

Patent Rights

- Utility patents last for 20 years from first filing.
- Patent owner can dictate prices and terms of sale.
- Most expensive type of intellectual property protection to obtain
- Provisional applications as placeholders
- Application process and timeline
- Bar Dates

The America Invents Act

- Change from “First to Invent” to “First to File”
- “Prior Use” Defense/Trade Secrets
- Who may file?
- Expedited Examination
- Additional Post-Grant Proceedings

Ownership of Patents

- Inventor can have an obligation to assign or transfer the patent to a third party
  - Employment agreement
  - “Shop right” license to employer for using resources
  - Consulting arrangement
- Confirm ownership as soon as possible.

Statutory Requirements

- Utility
- Novelty
- Non-obviousness
- Written Description
- Enablement
- Best Mode
- Remember: An “invention” may not be a “patentable invention.”

Enforcement

- Expensive and Disruptive
- Outcome Uncertain
- International Trade Commission

Non-Litigation Uses

Sale

- Patent rights can be sold, just like any other property.

Defense

- Defensive publication
- Deterrent effect

License

- Royalties
- Cross-Licensing

What about the Rest of the World?

- Patent rights stop at the border – a different patent is required for each jurisdiction.
- PCT applications buy time and a search.
- $$
- Different requirements regarding time to apply for patent.
- Patent Prosecution Highway

Trade Secrets

- An idea or information that provides a competitive advantage and is kept confidential by the owner
- Importance enhanced by the AIA

Basics of Trade Secrets

- Treat trade secrets as secrets.
- No registration process. Rights exist so long as information maintained in secrecy.
- Keep good records.
- Reverse engineering is allowed.
- Consider isolating team members.

Copyrights

- Protects only the expression of idea and not the underlying idea
- Exists immediately upon creation in a tangible medium.
- Optional registration system – inexpensive but necessary for enforcement.
- Can use copyright notice (©) immediately upon creation
- Sale of product does not necessarily include a transfer of copyright.
- DMCA Takedown

Software

- Usually protected by trade secrets and copyright
- Purchasing a copy of an item that is protected by copyright gives the purchaser certain rights.
- Most software is licensed and not sold to further restrict use of software.
- Watch for ownership of modifications and enhancements.
- Be careful of Open Source agreements.
- Software patents are difficult to obtain and open to challenge.

Trademarks

- “Badge of origin” for a product or service
- Designates a source
- May be based on actual use or intent to use.
- Trademark laws are designed to protect purchasers of the product or service.

Trademark Registration

- Registration is inexpensive and fast relative to patent procurement.
- Allows ® rather than ™ or SM.
- Based on “likelihood of confusion”
- Expense of foreign filing varies depending on accession to “Madrid Protocol.”

Domain Names

- ICANN Action (Internet Corporation for Assigned Names and Numbers)
  - Best with registered trademarks
  - $$
- Anticybersquatting Consumer Protection Act
  - $$$

Know How

- Technical knowledge and skill to do something
- Not protected by law
- May have significant value
- Patent licenses often include a license of related know how.
- Transfer to Licensee

Government Funded Inventions

- Government Funds often used in the development of technology
- Basic research and enhancements to existing technology
- Bayh-Doyle Act of 1980
- Permits universities and small businesses to own government funded inventions

Government Rights

- Purpose is to encourage commercialization of government funded inventions.
- Government retains rights to use technology funded by the government – unlimited rights, government purpose license rights, specially negotiated license rights.

Push for Commercialization

- “March In” rights to take back ownership if technology is not commercialized
- Many provisions in university license agreements are related to march in rights
  - Milestone requirements

Protecting Existing Technology

- Segregate technology.
- Use appropriate legends.
- Understand statements of work.
- Keep accurate records.

Working with Universities

- Consulting Arrangement with Professors
- Sponsored Research
- License of University-Owned Technology

Consulting Arrangements

- Other funding sources and how this could affect ownership
- Use of university resources may have unintended results.
- Conflict of interest policy

Sponsored Research

- Other sponsors and funding sources
- What is policy regarding ownership?
- University will rarely restrict publishing rights

University Licenses

- Exclusive vs. non-exclusive
- Exclusive
  - higher royalties
  - equity component
- Usually limited to a specific field of use

What is acquired

- University will not bring a claim for use of the technology.
- University will NOT provide any guarantee that a third party will not bring a claim.
- Broad protections for the university

Due Diligence

- Understand how development was funded
  - Sponsored research with third party funds
  - Government funded research – NIH, DOE grants
  - Professors
  - Students
  - Employees of University
  - University Resources such as labs, computers

New Technology

- Licenses usually only cover technology existing at time of license
- Ongoing Collaboration
  - Ownership
    - Jointly owned if jointly developed
    - Developing party owns if independently developed
    - Ongoing license?

IP Developed by Professors

- Professors have dual roles.
  - Researchers under government funded research
  - Paid consultant for company after company licenses technology
- Use of university resources
  - University IP policies specify rules

- Questions?