



# Intellectual Property Law in the Era of Working Remote

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- Admitted to practice before: the U.S. Patent and Trademark Office; U.S. Courts of Appeals for the Federal and Ninth Circuits; All four U.S. District Courts of California; U.S. District Courts of Arizona, Michigan, North Dakota, Tennessee, New Jersey; State Courts of California & New Jersey.
- Boston University, Bachelor of Arts, September 1984, Biology, Chemistry, Physics, and Medical Science.
- Iona University, Graduate School of Arts and Sciences, August 1987, Master of Science, Biology and Education.
- University of Pennsylvania, The Law School, Juris Doctor, May 1992.
- Has testified more than a dozen times as a retained Expert Witness and has served as a Special Assistant Attorney General.
- Advises manufacturers, distributors, and dealers in many industries: agriculture; home theater; furniture; jewelry; clothing; shoes; gloves; defense contractors; medical, dental, optical products; video games; tapestries; textiles; toys; robots; computer printers; and many more.



# OVERVIEW

## 1. INTELLECTUAL PROPERTY BASICS

- i. What is a Patent?
- ii. What is a Trademark?
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- iv. What is a Trade Secret?

## 2. OTHER IP PROTECTIONS

- i. Agreements
- ii. Licensing
- iii. General Terms of the Licensing Agreement

## 3. PROTECTING IP RIGHTS

- i. IP Audit
- ii. Avoid infringement and/or Abandonment
- iii. Protecting IP and working remote

# 1. INTELLECTUAL PROPERTY BASICS

## i. Patents

- Processes, Machines (Hardware & Software), Manufactured Products, Compositions of Matter, New Uses of the above

## ii. Trademarks

- Brand Names, Slogans, Logos

## iii. Copyrights

- Literature, Presentations

## iv. Trade Secret

- Confidential information



# 1. INTELLECTUAL PROPERTY BASICS

- A **Trade Secret** is "confidential information" that may be a formula, practice, process, design, instrument, pattern, or compilation of information used by a business to obtain an advantage over competitors or customers. Examples: Formula for Coca-Cola; Recipe for Kentucky Fried Chicken. MUST keep the "trade secret" confidential and not allow it to be disclosed.
- A **Patent** is a set of exclusive rights granted to an inventor (or her assignee) for a limited period of time in exchange for a disclosure of the invention to the public. One can receive a patent for processes, machines (hardware & software), manufactured products, compositions of matter, and new uses of the above.
- A **Trademark** is a distinctive sign or indicator (word, slogan, logo, smell, sound, color) of some kind that is used by an individual, business organization or other legal entity to uniquely identify the source of its products and/or services to consumers, and to distinguish its products or services from those of other entities. Examples: Microsoft; Xerox; Kodak; Aspirin; Apple; Kleenex.
- A **Copyright** is a set of exclusive rights regulating the use of a particular expression of an idea or information. Examples: Harry Potter books; PowerPoint Presentations; corporate brochures.



# i. What is a Patent?



US009943116B2

(12) **United States Patent**  
Cameron et al.

(10) **Patent No.:** US 9,943,116 B2  
(45) **Date of Patent:** Apr. 17, 2018

(54) **ELECTRONIC VAPOR DEVICE WARNING SYSTEM** USPC ..... 131/329  
See application file for complete search history.

(71) Applicant: **Lunatech, LLC, Encino, CA (US)** (56) **References Cited**

(72) Inventors: **John Cameron, Encino, CA (US); Dean Becker, Fairhope, AL (US); Gene Fein, Oxnard, CA (US)** U.S. PATENT DOCUMENTS

(73) Assignee: **LUNATECH, LLC, Encino, CA (US)** 7,052,468 B2 \* 5/2006 Melker ..... G01N 29/022 600:529

(\* ) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

(21) Appl. No.: **15/353,545**

(22) Filed: **Nov. 16, 2016**

(65) **Prior Publication Data**  
US 2017:0135408 A1 May 18, 2017 2014-0989552 A

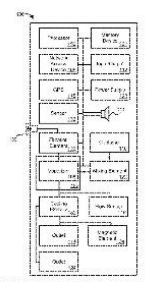
**Related U.S. Application Data**

(60) Provisional application No. 62/256,428, filed on Nov. 17, 2015.

(51) Int. Cl. **A24F 47/00** (2006.01)  
**F22B 1/28** (2006.01)  
**F24F 11/00** (2018.01)  
**A62C 37/36** (2006.01)  
**G08B 21/14** (2006.01)

(52) U.S. Cl. **A24F 47/008** (2013.01); **A62C 37/36** (2013.01); **F22B 1/285** (2013.01); **F24F 11/0017** (2013.01); **G08B 21/14** (2013.01); **F24F 2013/0052** (2013.01); **F24F 2013/0099** (2013.01)

(58) **Field of Classification Search**  
CPC: ..... A24F 47/008 20



(12) **United States Patent**  
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(22) Filed: **Nov. 16, 2016**

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- NEW: Not known or used by others, not patented or described in a printed publication, public disclosure, or employed in a product offered for sale more than 1 year prior to the application date for a patent
- USEFUL: Disclosure of the invention in written form containing description and details such as to enable a person of ordinary skill in the art to make and use the invention
  - problems with Patenting Software and no longer able to Patent Business Methods
- NONOBVIOUS: The difference between the invention and the combined prior art is such that it would not have been obvious to a person having ordinary skill in the prior art
  - not okay to work backwards from the invention

# Patentability



- Process
- Machine
- Manufacture
- Composition of Matter



- Laws of nature
- Physical phenomena
- Abstract ideas



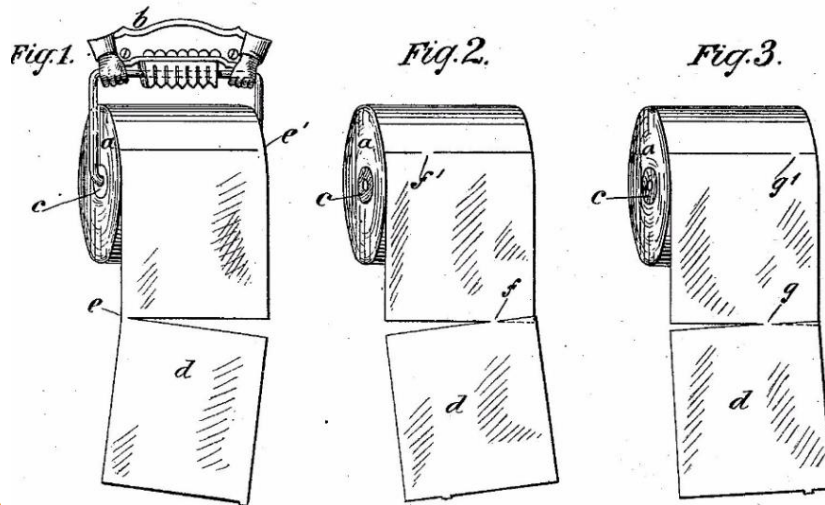
# Conditions of Patentability

(No Model.)

S. WHEELER.  
WRAPPING OR TOILET PAPER ROLL.

No. 459,516.

Patented Sept. 15, 1891.



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- Utility
- Novelty
- Nonobvious



# Rights granted by issued patent

- Negative right to exclude
- Sanctioned monopoly
- Not positive right (no one “needs”  
to have a Patent)

# Inventorship and Ownership

- The Inventor is an individual (or a group of individuals)
  - Every patent application is filed in the name(s) of the inventor(s), although there now can be an Applicant also listed in the U.S.
  - An error in naming the proper inventors can result in the patent being held to be invalid or unenforceable (depends on deceptive intent)
- The Owner is the Inventor until it is assigned to a third party
  - Must Record the Assignment with the USPTO







# Definitions

- “Trademark” includes any word, name, logo, symbol, sound, color, smell, or device, or any combination thereof—
  - (1) used by a person, or
  - (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this Act,  
  
to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.
- “Trade dress” includes the visual appearance that indicates source of a product.
  - Must have secondary meaning indicating source,
  - Not be functional



# Trademark Registration

- **Federal Trademark Registration:**

- Registration is NOT mandatory, but does carry certain beneficial presumptions.
- Rights will be protected if the trademark is IN USE.
- More remedies available if mark is registered.

- **State Trademark Registration:**

- Available to purely local businesses.
- Issued quickly & inexpensively.
- May be persuasive in state court.
- Cannabis companies can obtain State Trademarks but NOT Federal Trademarks!



# What are Common Law Rights?

- Federal Registration is not required to establish rights in a trademark.
- Common law rights arise from actual use of a mark; longer use = stronger rights.
- Generally, the first to either use a mark in commerce or file an intent to use application with the Patent and Trademark Office has the ultimate right to use and registration (but a later user who registers first will ultimately lose to an earlier user who registered later).

# Benefits of FEDERAL Trademark Registration



- Notice:
  - Constructive notice nationwide of the trademark owner's claim
  - Only after Registered with the UPSTO may you use ®
- Evidence:
  - Presumption of ownership of the trademark.
  - Reduces costs of litigation
- Jurisdiction:
  - Jurisdiction of federal courts may be invoked
- Foreign registration:
  - Basis for obtaining registration in foreign countries through the Madrid Protocol
- Stop imposters:
  - Registration may be filed with the U.S. Customs Service to prevent importation of infringing foreign goods
  - Can help avoid extremely costly litigation altogether



# Notice of Registration

- COMMON LAW <sup>TM</sup>
- SERVICE MARK <sup>SM</sup>
- REGISTERED <sup>®</sup>
  - “Registered in the U.S. Patent and Trademark Office”; OR
  - “Reg. U.S. Pat. & Tm. Off.”

Must use NOTICE to get damages from an infringer in certain circumstances.



# Expiration of a Trademark



- Risk of losing the mark due to Dilution/Genericism
  - Kleenex tissue, Xerox photocopier
  - Use as noun risks loss of trademark (adjective)
    - Escalator, trampoline, aspirin, thermos, refrigerator
- Term may last forever so long as the Mark continues to be used and is renewed
  - Registration requires periodic renewal
    - U.S. requires at 5-6 years a showing of continued use
    - U.S. — Renewal every 10 years thereafter

# iii. What is a Copyright?



- Copyright protects original works of authorship
  - Including: literary, dramatic, musical, and artistic works, such as poetry, novels, movies and songs, but it also protects blueprints, technical drawings, product brochures, advertising, computer software, and architecture.
  - Copyright does not protect facts, ideas, systems, or methods of operation, although it may protect the way these things are expressed.
- Your work is under copyright protection the moment it is created and fixed in a tangible medium that is perceptible either directly or with the aid of a machine or device.



# Notice of Claim to Copyright

- May – and should – use the © notice whether or not an application is filed for registration with the U.S. Copyright Office.
- For example:

Copyright © 2022 Marc E. Hankin.

© 2004 - 2022 Marc E. Hankin.

Copr. 2022 Hankin Patent Law, A.P.C.

All Rights Reserved.

# Copyright Ownership



- Principle:
  - The individual or joint authors of a work initially own the copyright.
- Work made for hire:
  - An employer or party commissioning of a work is automatically deemed the “author” or a “work made for hire” if either:
    - The work was prepared by an employee within the scope of employment; OR
    - The work was specially ordered or commissioned & is expressly agreed to be a “work made for hire” in a written instrument signed by both parties.
    - Be careful in California – Statutory Employee for “Work Made For Hire” after AB5/Dynamex case

# Rights of Copyright Owner

- Reproduce
- Distribute Reproductions
- Display and Perform Work
- Make Derivative Works
- Prevent Unauthorized Copies
- Right to Profit From Sale



# Copyright Ownership (cont'd.)



- A copyright is divisible, so the recipient of an exclusive grant or license of rights becomes the owner of the copyright for those rights.
- Transfers must be in writing.
- However, an accounting must be given to all owners and profits must be shared from any financial gain made on the license or sale of copyright rights.



# iv. What is a Trade Secret?



# Definition



- A trade secret is a formula, pattern, compilation, program, device, method, technique or process that:
  - Derives independent, actual or potential, economic value from not being known to the public or to other persons who can obtain economic value from its disclosure or use; **AND**
  - Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.



# Protecting Trade Secrets

- Develop trade secret policies & practices
- Publish policy in employee handbook
- Limit access to trade secret information
- Number copies and track distribution
- Stamp confidential documents “CONFIDENTIAL”
- Keep hard copies locked up
- Password protect and change passwords periodically
- Instruct & train managers and personnel
- “Pop-up” messages on company computers advising employees about confidential information
- Institute proper sign out procedures
- Implement policy for destruction of materials
- Exit interviews (checklist/letter reminding employee of agreement)
- Remind employees of nondisclosure obligations upon leaving company



# How to Protect Trade Secrets?

- Keeping a Trade Secret
  - Only valid and enforceable as long as it is a secret
- Benefits
  - Trade secret may be assigned or licensed
  - Revenue from license may last indefinitely without geographic restriction
- Protect Your Company From Accusation
  - New Hires (especially from competitors)
  - Joint Development Agreements

	<b>Protects</b>	<b>Term</b>
<b>Trade Secrets</b>	Confidential information	Indefinite or until made public
<b>Trade Marks</b>	Identity of source of product or service	May be renewed until abandoned
<b>© - Copy Rights</b>	literary, dramatic, musical, artistic, and certain other intellectual works	70, 95, or 120 years from creation
<b>Patents</b>	Inventions	~ 20 years

## 2. OTHER IP PROTECTIONS

- i. Agreements
- i. Licensing
- ii. General Terms of the Licensing Agreement



# i. Agreements

- Types of Agreements:
  - Non-disclosure Agreements
  - Confidentiality provisions
  - Purchase orders & invoices
  - Employment Agreements
  - OEM Agreements
  
- Agreement Language:
  - BROADLY define confidential information
  - Specify term of confidentiality obligation
  - Limit HOW information should be used
  - Specify REMEDIES for breach of agreement



## ii. Licensing



- A license permits the licensee to do that which, absent the license, would otherwise be forbidden him.
- Intellectual Property Rights include:
  - Patents (or Patent Applications);
  - Trademarks;
  - Copyrights; and
  - Trade Secrets.





## iii. General Terms of the Licensing Agreement

- Royalty Rates and Reporting Periods
- Up-Front Fees & Guaranteed Minimums
- Definition of “Net Sales” and other terms
- Representations and Warranties of each
- Approval of Quality (samples required)
- Term and Termination
- Sublicensing and/or Assignment

# 3. PROTECTING IP RIGHTS

- i. IP Audit
- ii. Avoid infringement and/or Abandonment
- ii. Protecting IP and working remote



# i. IP Audit



- What is an IP Audit?
  - A methodical review of the IP assets owned, used or acquired by a company
  - Aiming to assess and manage risk, remedy problems and implement best practices in IP asset management
- What types of IP Audit exist?
  - General purpose IP Audit
  - Event driven IP Audit
  - Focused audits (limited)

# When to conduct an IP Audit?

- General purpose IP Audit
  - Before establishing a new company
  - While considering implementing new IP related policies or procedures
  - New marketing approach is considered
  - Major reorganization of the company is planned
  - A new person becomes head of IP management



# When to conduct an IP Audit?

- Event driven IP Audit
  - Merger & Acquisition or Joint Venture
  - Financial transactions
  - Company buys or sells a business division or transfers IP
  - Company launches a new product or service
  - Negotiation of an IP licensing agreement
  - Business closure, bankruptcy, layoffs, etc.

# When to conduct an IP Audit?



- Focused audits
  - Ahead of a major personnel turnover
  - Before filing a lot of foreign IP Applications
  - When Important changes in IP law or practice
  - Clean room procedures (used for software development)
  - When a Company is getting ready for Litigation

# How to prepare for an IP Audit?

- Define the clear purpose of the IP audit
- Gather as many relevant documents / information as possible
  - *E.g.:* company's IP assets, business strategy, current IP management situation, existing IP disputes, etc.
- Delineate the extent of the IP audit
  - Scope, timetable, budget, roles and responsibilities in the team, structure of the final report
- Prepare a detailed checklist listing steps in the audit process
- Identify all types of IP agreements
  - *E.g.:* licenses, assignments, R&D, employment, independent contractors, joint ventures, etc.



# How to conduct an IP Audit?

- List each asset, document along with a description
  - How it is being used, stage of development, inventorship, ongoing maintenance aspect, value of the asset, etc.
- Determine owner of each asset + nature of ownership
- Appraise the risk of infringement
  - Both risk of infringement and risk of infringing other's IP rights
- Assess protection of IP:
  - Spot failure to comply / deficiency of legal, regulatory, administrative procedures regarding IP management
  - Suggest potential improvements
- Report



## ii. Avoid infringement



- Avoid infringement of your IP's rights
  - Define the geographical scope that you are protecting
  - Protect IP Rights through Registration
  - Set up monitoring → be informed as soon as a third party tries to infringe your right(s) through its own Registration
  - Be aware of the market / follow your competitors
  - Send cease and desist letters when you spot infringing act(s)
  - Sue for infringement if needed

## ii. Avoid infringement

- Avoid infringing other entities' IP rights when possible
  - Always assume the work is Copyrighted or Registered
  - Do not copy and paste other people's articles found on the Internet for your own benefit
  - Have an IP policy setting guidelines when dealing with IP
  - Hire a proper attorney, prior to using or Registering any IP, to run a clearance search of rights or a prior art search to minimize the risk of infringement
  - Obtain and respect the scope of any agreement or license
  - Contact your attorney before responding, and/or changing any activity when you have received a Cease and Desist letter



## ii. Avoid abandonment

- Do not forget to pay renewals / maintenance fees
- Reply to Office Actions (Patents or Trademarks)
- For Trademarks:
  - Non-use for 3 years or more + no intention of using the Trademark again in the future = presumption of Abandonment
  - Need to take action to avoid allowing the Trademark to become generic
    - Send Cease and Desist letter
    - Prosecute rights as needed
  - Failure to maintain control over the Trademark use can lead to abandonment (assignment, excessive licensing)
- Consequence of abandonment = owner can no longer claim rights on the IP asset(s)

# iii. Risks of working remotely



- Storage of data on the cloud
- Use of personal devices or non-secured network connection that can facilitate Phishers and Hackers
  - Greater reliance on emails increases the risk of Phishing and/or Spam
- Unauthorized copies of trade secret information
  - Or copies without an adequate level of security
- Inadvertent disclosure to other household members or to third parties
- Variation of IP laws depending on the country



## iii. How to protect IP from the risks of working remotely?

- Issue company-owned laptops, telephones, or other electronic equipment
- Revise remote-based work policies related to IP
- Educate employees on IP protection and IT security protocols
  - *E.g.*: Turning off home device recorders and electronic assistants (Amazon's Alexa, Google Assistant), lock the house, limit access to the employee's work room, label "confidential" documents as such, use a secure VPN system
- Limit access of trade secret information only to required employees
- Empower employees by having them sign a nondisclosure or confidentiality agreement



**Any questions?**



**BUSINESS  
PARTNERS**



**GOVERNMENT**



**LEGAL  
INDUSTRY**



**CERTIFICATION**



**HUMAN  
RESOURCES**



**OPERATIONS**



**COMMUNICATION  
S**



**INTELLECTUAL  
PROPERTY**



**SPEAKERS**



**CORPORATE**



**IT**



**FINANCE**



**LAW FIRMS**