

Dusting off your intellectual property: a year-end audit of your IP and related policies

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As the calendar year quickly approaches, and corporate strategies, goals, and budgets are being set for the new year, now is a great time to review your company's intellectual property and related policies.

Companies often invest significant time and money into coming up with and exploring new ideas in order to surpass their competition and further distinguish themselves in the marketplace. As a result, new products, solutions, and marketing strategies are considered and developed, and intellectual property is born. This intellectual property is not always readily identifiable, however, since it can take on any number of forms. Some intellectual property has immediate value, while other forms are better left "on the shelf" to await further development or timely consideration. In either case, immediate steps may be required to properly secure your company's intellectual property rights, thereby preventing the loss of rights.

Trademarks. When discussing intellectual property, patents are often the first subject that comes to mind. Trademarks, however, can be vitally important in selling and promoting a product or service. Over time, and after significant investment, a trademark develops goodwill, which means that customers not only become acquainted with it, but also associate that trademark with a particular quality of product or service. By properly securing your rights early on, you prevent competitors from using any confusingly similar trademark and benefiting from the goodwill established by *your* mark. Trademarks may form any name, slogan, or logo used to identify and distinguish your product or service within the marketplace. Further, for example, the design of the product and any packaging may be protected as trade dress. Depending upon the geographic market of the product or service, the trademark may be registered with a particular state, federally with the United States Patent and Trademark Office (USPTO), and/or internationally with another country. Taking steps to register a trademark *in a timely fashion* may be the single most important step towards preserving your rights.

Utility Patents. Although patents themselves are well known, the requirements for preserving patent rights are not. Patents generally protect functional advancements or inventions. For example, patents may concern new and useful products, machines, processes, and software. As many may know, protecting your invention in the U.S. requires an inventor to file a patent application within a year after the first public use, disclosure, offer for sale, or actual sale of the invention. This one-year period is commonly referred to as a grace period. Surprisingly, however, when seeking patent protection on an *international* level, there is no grace period, and a patent application must be filed before any public disclosure or use. Exceptions to these rules may be provided for experimental use or testing, but you should first obtain legal advice before conducting any such testing to ensure that your activities do not render your invention unpatentable.

Design Patents. In addition to seeking patent protection for the functional aspects of an invention, in some cases it might be wise to also seek a design patent in order to protect certain non-functional aspects of that invention. For example, the handle on a coffee mug is a functional element, but since its shape may be distinguishable from other handle shapes, it may also be capable of being protected under a design patent. Therefore, consider all non-functional features of a product in addition to those that are functional, especially when patent protection is not available for any functional features of an invention.

Trade Secrets. As an alternative to patent protection, individuals or companies may instead merely try to keep an invention secret or confidential. This is often a risky route to take, since certain steps must be taken to maintain an invention's confidentiality, including the use of confidentiality agreements and strict non-public access policies within company walls. More importantly, issues may arise if a second party invents the same or a similar invention, even if that party invents it later in time; internationally, patent protection extends to the party who first files a patent application,

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not to the party who first *invents*. And even though U.S. law restricts patent protection to first-to-invent, complex and costly matters can arise if a second-to-invent party is the first to *file* for patent protection on the same invention; significant time and money can be wasted in unnecessary litigation refuting such a patent or patent application.

Copyrights. It is often thought that copyrights are limited to books, art, music, and movies; in fact, there are many other works able to be protected under copyright law, including architectural works, software, forms, marketing materials, and instructional booklets. Therefore, it is important to consider *all* of a business's by-products for copyright protection.

Policies. It is not uncommon for a company to implement certain policies in hopes of capturing intellectual property otherwise lurking in its halls. Such policies may even encourage the creation of intellectual property, to the benefit of the company. For example, an invention disclosure program may be employed, whereby employees submit inventions to the company for consideration. To encourage disclosure, companies may provide certain rewards for successful inventions, and/or may require disclosures as a matter of course for certain projects. Policies may also be implemented to help prevent any undesired public use, disclosure, or testing of an invention until a patent application has been filed, or at least considered.

Upon receipt and consideration of an invention disclosure, prior art searches may be performed as a matter of course to better explore patentability and product clearance (*i.e.*, to reasonably determine that the new product does not infringe another patent). Further, in technical and non-technical groups or divisions, such as the tax, marketing, or sales industries, similar policies may be employed to ferret out patentable inventions and other items protectable under trademark or copyright laws.

When developing a new product, for example, it may be wise to search the prior art to assess patentability as well as whether there is any risk of infringing a competitor's patent. Additionally, new names may be considered for the new product, and trademark searches performed to determine whether the trademark is available for use, and whether any such use may raise infringement concerns.

In summary, it is wise to remain sensitive to any and all possible intellectual property created by your company, and to take the necessary steps – in a timely fashion - to protect the company's many investments wisely. Further, any company should strongly consider employing policies to ferret out protectable intellectual property that may prove valuable toward maintaining the company's position and distinction within the marketplace.

The use of company policies and guidelines may also help prevent any loss of rights, as well as to reduce the risk of developing products or trademarks that may unnecessarily expose your company to infringement liability. You should first contact legal counsel to ensure that any proposed policies are accurate and proper prior to implementation.

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