Intellectual Property (IP) Overview

Innovation Challenge

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The information contained herein is for educational discussion purposes only, and is **not to be considered legal or patent advice**.
Who is speaking with you today?


- M.S. in Computer Science; a Masters combining Electrical Engineering, Music, and Radio/TV; a Doctor of Jurisprudence (Law) with a Certificate in Intellectual Property; has completed all core coursework for an MBA, and is a patent agent.

- Founded two startups.

- 22 issued patents with over 20 patents pending.
What is Intellectual Property?

- A product of the mind or intellect, in a concrete or abstract form, in which one can assert ownership rights.

- 4 Major Types in U.S.

  - Trade Secrets
    - Know How and Proprietary Information
  
  - Trademarks
  
  - Copyrights
  
  - Patents and Inventions

- Each of these types of IP have unique requirements and offer different legal protections.
Types of IP to Protect Startups and Help Raise Investment $
## Range of IP Protection Approaches

<table>
<thead>
<tr>
<th>Trademark</th>
<th>Trade Secret</th>
<th>Copyright</th>
<th>Patent</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Words, Symbol, Slogans used to identify &amp; distinguish one’s products or services</td>
<td>-Valuable information that is not publicly known <em>(Technical, financial, marketing, formulas, know-how, etc.)</em></td>
<td>-Software</td>
<td>-Chemical compositions, Electrical, and Mechanical products and processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Books</td>
<td>-Biotechnology</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Photos</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Music / Recordings</td>
<td>-Business processes and methods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Motion Pictures</td>
<td>-Software – Algorithms Executing on computer</td>
</tr>
</tbody>
</table>
Why IP Is Important?

- IP has **VALUE**
- IP provides a **COMPETITIVE ADVANTAGE**
- Misuse or lack of awareness of IP can put you at **RISK**
What are Trademarks?

• Trademarks are words, symbols or slogans used to identify & distinguish one’s products or service from others*

* Note: Normally these logos could not be shown here unless permission was obtained from the owners. However, because this is a college course of instruction, they may be used under the copyright “Teaching/Education” exemption (covered later in this class).

Minimize confusions
## Marks

<table>
<thead>
<tr>
<th>Not Protectable</th>
<th>Least Protectable</th>
<th>Suggestive</th>
<th>Fanciful / Arbitrary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic</td>
<td>Descriptive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Marks that are so well known that they become used by society to describe that term</td>
<td>-Marks that describe the products or services</td>
<td>-Marks that allude to some quality or characteristic of the product or service</td>
<td>-Marks that bear no relationship to the goods or services</td>
</tr>
<tr>
<td>-ASPIRIN</td>
<td>-VISION CENTER</td>
<td>-7-ELEVEN</td>
<td>-STARBUCKS VERIZON</td>
</tr>
</tbody>
</table>

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How To Obtain a Trademark

• Simply using a name or symbol as an identifier for your products or services – enables use of ™
  – Limited to geographic area in which the mark is used

• Register your Trademark with the U.S. Patent and Trademark office – enables use of ®
  – Legal presumption of ownership
  – Exclusive right to use the mark nationwide
  – Prerequisite to bringing an action concerning the trademark’s in federal court.

Federal Registration is almost always recommended
What Is a Trade Secret?

• Any information that derives independent economic value, actual or potential

• Not being generally known or readily ascertainable by proper means

• Other parties can obtain economic value from its disclosure or use
Example of Trade Secrets

- Designs
- Drawings
- Specifications
- Patterns
- Plans
- Compilations
- Program devices
- Formulas

- Prototypes
- Methods, Techniques, Processes, and Procedures
- Flow Charts
- Marketing timetables
- Customers / Suppliers List
- …
Protecting Trade Secrets

• Take **reasonable** measures
  Efforts to keep the information secret

Varies with the nature of the information and other circumstances
What Is a Copyright?

• Protects original work of authorship
• Must be in a tangible medium

• Examples:
  – Protectable: literary works, a/v works, computer programs
  – NOT Protectable: titles, slogans, ideas, processes

• Copyright © 2014 Company XYZ. All Rights Reserved

Protect creative expression of ideas, not the ideas
Rights in Copyright

• Exclusive rights to (or authorize others to)
  – Dictate who can copy
  – Copy - Reproduce a work
  – Modify or prepare a derivative work
  – Distribute copies
  – Publicly perform or display a work

  – Criticism
  – Comments
  – News reporting
  – Teaching/Education [http://librarycopyright.net/resources/exemptions/](http://librarycopyright.net/resources/exemptions/)
  – Research
  – Parody
How To Obtain a Copyright?

• A copyright automatically comes into existence when you create a work of authorship and fix it in a tangible medium
  – Pen to paper, When you type a line of code, Record sounds

• Filing with the U.S. Copyright Office provides some important additional benefits
  – Statutory damages, Attorney fees

• Relatively inexpensive to register
  – $65.00 / application
  – $35.00 / application if file on-line
• **A patent:**

- grant issued by the U.S. Patent and Trademark Office (USPTO)
- gives inventors the right to exclude all others from making, using, selling, or importing for sale, their inventions
- within the United States, its territories, and possessions
- for up to 20 years from filing date.
Types of Patents

• **Utility Patent**
  – Protects the function or “utility” of the invention

• **Design Patent**
  – Protects the “ornamental design” or appearance

• **Plant Patent**
  – Protects distinct and new varieties of plants
• A new, useful and non-obvious invention:
  – Machine
  – Composition of matter
  – Manufacturing Process
  – Method (can be a Business Method, if technical in nature)

• A useful improvement of any of these
How To Obtain A Patent?

- File a patent application with the USPTO before
  - Public Disclosures
    - (i) Printed Publication
    - (ii) Sale or Offer for Sale
  - Foreign Countries: Absolute Novelty - No public disclosure

- Cost is high - $10-15K / patent plus maintenance fees

Now "First Inventor to File" => Speed is essential
# Summary (IP Rights Action Chart)

<table>
<thead>
<tr>
<th>Intellectual Property Right</th>
<th>What’s Protected</th>
<th>What’s Restricted</th>
<th>How To Protect?</th>
<th>Pro</th>
<th>Con</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trademarks</td>
<td>Designations of origin (words, services, products, brand name, symbol, logo)</td>
<td>All rights to mark words, services, products, distinctive</td>
<td>First to use; Federal registration is optional</td>
<td>Some rights accrue automatically with use</td>
<td>Need to police infringements or may lose rights</td>
</tr>
<tr>
<td>Trade Secrets</td>
<td>Information used in business</td>
<td>Public disclosure / misappropriation</td>
<td>Keeping the information secret</td>
<td>Lasts forever, so long as keep secrets</td>
<td>Hard to keep secret. Does not cover independent developments by others</td>
</tr>
<tr>
<td>Copyrights</td>
<td>Expression of ideas</td>
<td>Distribution, Copy, Performance, Reproduction, etc.</td>
<td>Properly mark with a copyright legend</td>
<td>Rights accrued automatically.</td>
<td>Easy to design around. Does not cover independent developments by others</td>
</tr>
<tr>
<td>Patents</td>
<td>Inventions</td>
<td>Designs, manufacturing, production, sales, protected</td>
<td>Filing patent application</td>
<td>Strong rights. Covers independent developments by others</td>
<td>Must disclose. Give up secrets. Expensive to procure, maintain, and enforce</td>
</tr>
</tbody>
</table>

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Types of IP to Protect/Help Startups

- Patent
- Trade Secret
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- Copyright
- Copyright
- Copyright
- Copyright
- Trademark
- Copyright
- Trade Secret
- Source Codes
- Trade Secret
- Copyright
- Copyright
- Trade Secret
- Copyright
- Copyright
- Trade Secret
- Copyright
- Patent

- Business Plan
- Marketing / Product Launch Time Table
- Flow Charts
- Algorithms
- Name / Graphics / Logos
- Trademark
Absent an Agreement to the contrary:

- The creator of IP is its owner
- Jointly created IP is jointly owned

Collaboration: Properly protect your IP with Non-Disclosure Agreement or with a Teaming Agreement
Final Words on Protecting IP

• Consider which types of intellectual property make sense in the context of your business, products, and/or services

• The decision about which types of protection to pursue, and why, are your (your company’s) intellectual property strategy

• Defining and understanding your intellectual property strategy help you make better decisions and avoid pitfalls
Resources

- U.S. Patent & Trademark Office (USPTO)...www.uspto.gov
- U.S. Copyright Office...www.copyright.gov
- CA Civil Code 3426-3426.11...www.leginfo.ca.gov
- State and Local Bar Associations
  - CA State Bar Association...www.calbar.ca.gov
  - LA Bar Association...www.lacba.org
  - OC Bar Association...www.ocbar.org
- Libraries
  - Long Beach Law Library (West Ocean Blvd, Long Beach)
  - LA Law Library (1st Street, LA)
  - OC County Law Library (North Flower Street, Santa Ana)