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# Manufacturing Success: Protecting Your Intellectual Property

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# Types of Intellectual Property

- There are four principal types of intellectual property:
  - Patents: Useful and functional inventions or ornamental designs
  - Trade Secrets: Valuable and secret business information
  - Trademarks: Distinctive source identifiers
  - Copyrights: Original works of authorship fixed in tangible mediums of expression
- These forms of intellectual property are not mutually exclusive (except patents and trade secrets)



# Trade Secrets

- A trade secret is defined as business or technical information that derives actual or potential commercial value from not being generally known or readily ascertainable through independent development or reverse engineering, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy



**KFC's secret recipe of eleven herbs and spices**



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# Trade Secrets (contd.)

- A trade secret is protectable for as long as the information falls within this definition. In other words, legal protection on a trade secret never expires
- However, once information is disclosed to a third party without adequate measures in place to protect its confidentiality, the information may no longer be considered a trade secret



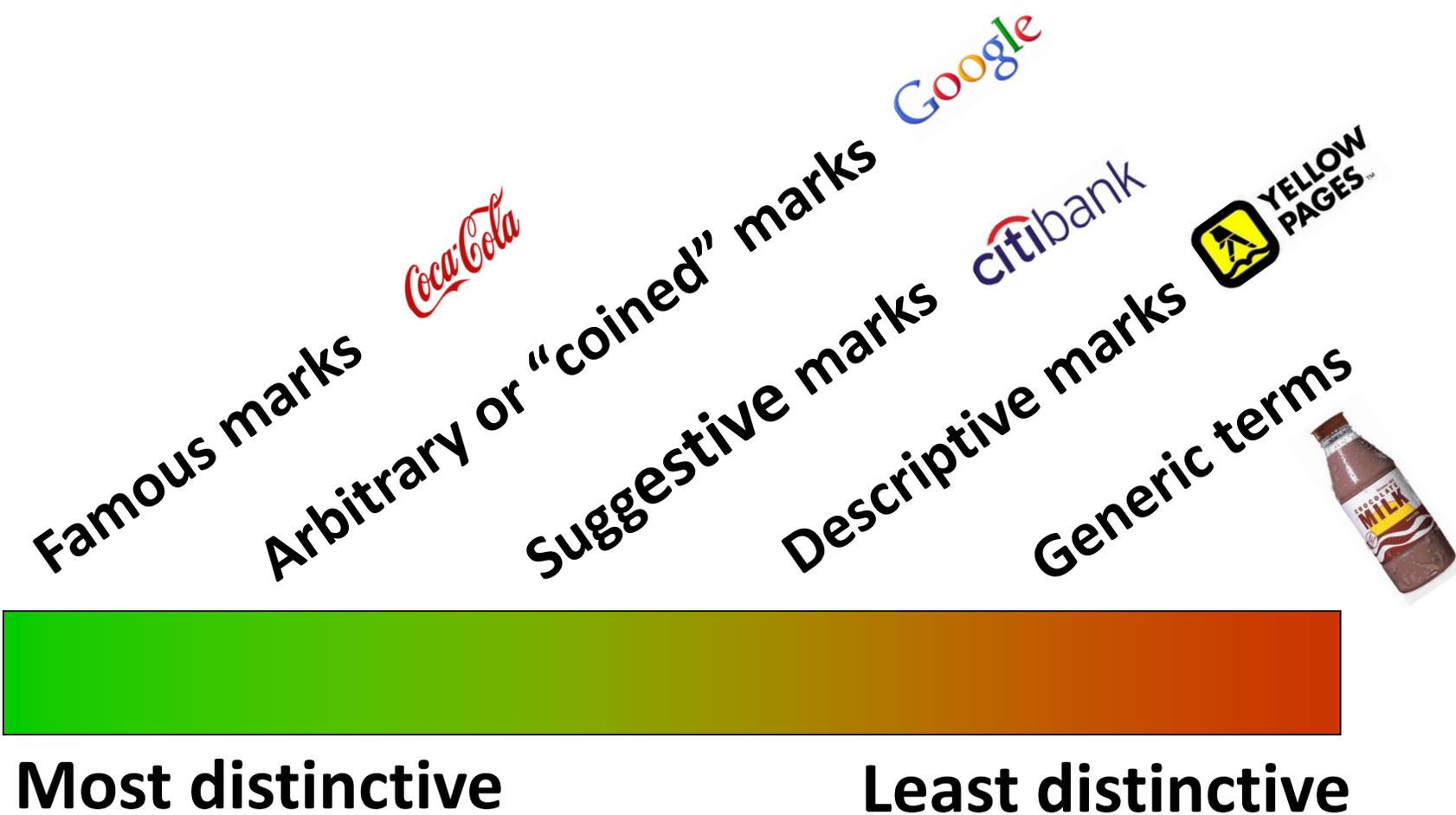
# Trademarks

- A trademark is a word, name, symbol or design used in the marketplace to indicate the source of goods and to distinguish such goods from those of others
- A service mark is the same as a trademark, except that it identifies and distinguishes the source of services rather than goods
- The terms “trademark” and “mark” are commonly used to refer to both trademarks and service marks

The Coca-Cola logo, featuring the brand name in its signature red script font.

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# Trademark Distinctiveness



# Nontraditional Trademarks

- Trade Dress (shape)



- Color



- Sound



# Trademark Rights

- Trademark rights may be used to prevent others from using a confusingly similar mark on related goods or services
- Trademark rights may not be used to prevent others from:
  - Making and selling different goods or services under the same mark (unless it is a famous mark)
  - Making and selling the same goods or services under a clearly different mark



# Acquiring Trademark Rights

- An owner acquires trademark rights in a mark by using it on or in connection with the services it provides or the goods it sells
- Once such use is established, the owner automatically has trademark protection for its mark
- However, this protection is limited to the geographic location in which the trademark is used
- Therefore, an owner should seek federal registration of its mark with the U.S. Patent and Trademark Office (if the owner will be using the marks in interstate commerce, i.e., in two or more states)



# Trademark Clearance Search

- One of the first and most important steps in choosing a mark is to make as certain as possible that there are no similar marks currently in use by other companies in connection with goods or services similar to those provided by the university
- There are two types of clearance searches:
  - **Full Search:** Includes federally registered marks, federal applications, state registered marks, common law marks, business names and domain names
  - **“Quick & Dirty” Search** ([www.uspto.gov](http://www.uspto.gov)): Oncludes only federally registered marks and pending federal applications



# Trademark Clearance Search (contd.)

- No clearance search is foolproof, but a clearance search can provide the university with some confidence that the use of its mark will not infringe the rights of others



# Benefits of Registration With the U.S. Patent and Trademark Office

[www.uspto.gov](http://www.uspto.gov)

- National priority before actual use
- Nationwide notice of the existence of the mark
- Presumption of validity and incontestability after five years of continuous use
- Ability to use the “®” symbol after the trademark. (“™” and “SM” are used for non-registered marks)



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# Benefits of Registration With the U.S. Patent and Trademark Office (contd.)

- Trademark applications can be filed online at [www.uspto.gov](http://www.uspto.gov)
- Two types of applications: In Use and Bona Fide Intent to Use
- First examination of the application is usually four to six months after filing
- Substantive refusals are usually based on likelihood of confusion or descriptiveness



# Reasons for Denial of Application

- Likelihood of confusion with prior registration or application (consider similarities in sight, sound and meaning)
- Merely descriptive
- Deceptively mis-descriptive
- Merely a surname
- Ornamental



# Registration Is Not a Guarantee of Ability to Use

- Although federal registration of a mark is extremely advantageous, it does not guarantee that a third party will not dispute an owner's rights in a particular mark
- A litigious third party can always bring claims before the U.S. Patent and Trademark Office or a federal court with regard to priority of use of a particular mark or the likelihood of confusion between two marks



# Proper Use of Trademarks

- The ® should be used after federally registered marks where practical (e.g., on promotional materials)
- The <sup>TM</sup> or <sup>SM</sup> symbol should be used after marks to denote common law trademark rights prior to any federal registration



# Post-Registration Maintenance

Trademark registrations can last forever if the following deadlines are met:

- Section 8 Declaration of Use: Due between the fifth and sixth years after registration of the mark
- Section 15 Declaration of Incontestability: Can be filed after five years of continuous and exclusive use of the mark. Incontestability status means that the mark can no longer be challenged on the basis that it is suggestive or descriptive
- Section 8 Declaration of Use and Section 9 Renewal: Due the 10th year after registration, and every 10 years thereafter



# Trademark Licensing

- Licenses are not recorded (under U.S. law)
- A “naked” license can invalidate a trademark. A proper trademark license will provide for:
  - Control over the quality of the goods and services provided by the licensee
  - Control over the licensee’s manner and use of the mark



# Trademark Infringement

- Likelihood of confusion (are customers likely to be confused as to the source of the products or services?)
- Factors considered:
  - Strength of the mark
  - **Similarity of marks (sight, sound and meaning)**
  - Similarity of goods/services
  - Channels of trade/methods of advertising
  - Defendant's intent
  - Existence of actual confusion
  - Sophistication of purchasers
- Remedies include injunctive relief, infringer's profits, lost profits, damages and possibly treble damages



# Trademark Infringement

- Use social media to your advantage to stop infringement
- Every popular social media platform has an infringement policy and corresponding online complaint procedure
- File the complaints as soon as the infringing content is discovered
- In many cases, there is a very short turnaround time
- Also consider having a canned cease and desist letter



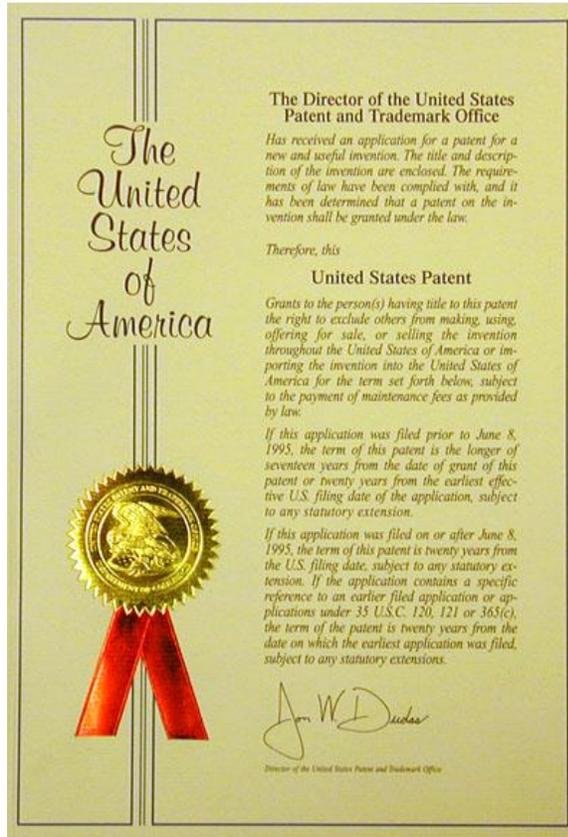


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# Patent Protection for Manufacturing



# What's a Patent?



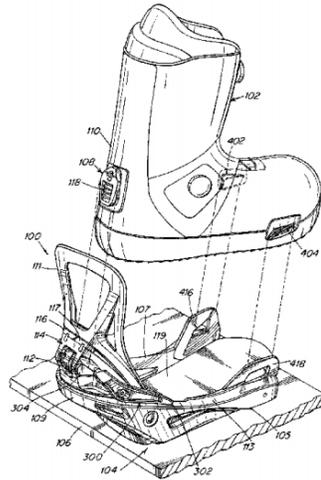
- Time-limited right to exclude others from making, using, offering to sell or selling in U.S. or importing into U.S. any patented invention. 35 USC §271(a)



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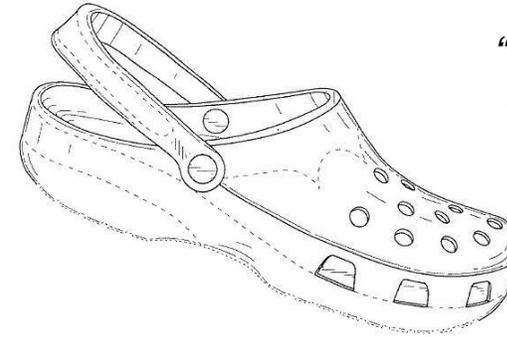
# Main Types of Patents

## 1. Utility Patent (functional)



*“Snowboard Binding and Boot” (2019)  
The Burton Corp.: 10,179,272*

## 2. Design Patent (aesthetic)



*“Footwear” (2006)  
Crocs: D517,789*



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# What Things Are Patentable?

- **Process** (e.g., manufacturing method, chemical synthesis, method of use, software process)
- **Machine** (e.g., apparatus, mechanical system)
- **Manufacture** (e.g., medical device, golf bag, scope mount)
- **Composition of Matter** (e.g., formulation, chemical solution)



# Is My Invention Patentable?

- Must be conceived and reduced to practice (at least in writing if not as a physical prototype)
- Must be new: Not publicly known, used or disclosed before the patent application is filed
- Must be non-obvious: Not an obvious combination of what is already known
- Must cover patent eligible subject matter: Not an abstract idea, law/product of nature, natural phenomenon



# Why Get a Patent?

- Market advantage: Exclusive rights give you a competitive edge
  - Stop competitors from commercializing your ideas
  - Deter knockoffs
  - Block imports and exports of your inventions
  - Eligible for Amazon's Neutral Patent Evaluation Process
- Added value: Investors / lenders want to see products are protected
- Source of revenue: Royalties from licensees, damages from infringers



# Patent Application Process

- **US Provisional:** Not published or examined, holds your place (priority date) for 12 months, can be updated before filing a corresponding non-provisional
- **US Non-Provisional:** Final version of the description and drawings. Usually takes 12-18 months for USPTO to start examination, unless you pay for prioritized exam
- **Foreign applications:**
  - Must file in each country where you want a patent
  - “PCT” (international) application can hold your place in 150+ countries for at least 30 months from the earliest priority date



# Patent Checklist

- ✓ Fill out an Invention Disclosure Form before meeting with a patent attorney
- ✓ Consider prior third-party disclosures, and distinguish your invention from them
- ✓ Get assignment agreements from all “inventors”
  - Includes founders, contractors, employees, partners, developers, etc.



# Patent Filing Strategies

- **File early**
  - US patent system is a “first-to-file” race to the Patent Office
- File U.S. provisional applications serially, as R&D proceeds
- File patent application *before* first public disclosure (applies worldwide) to preserve foreign patent rights



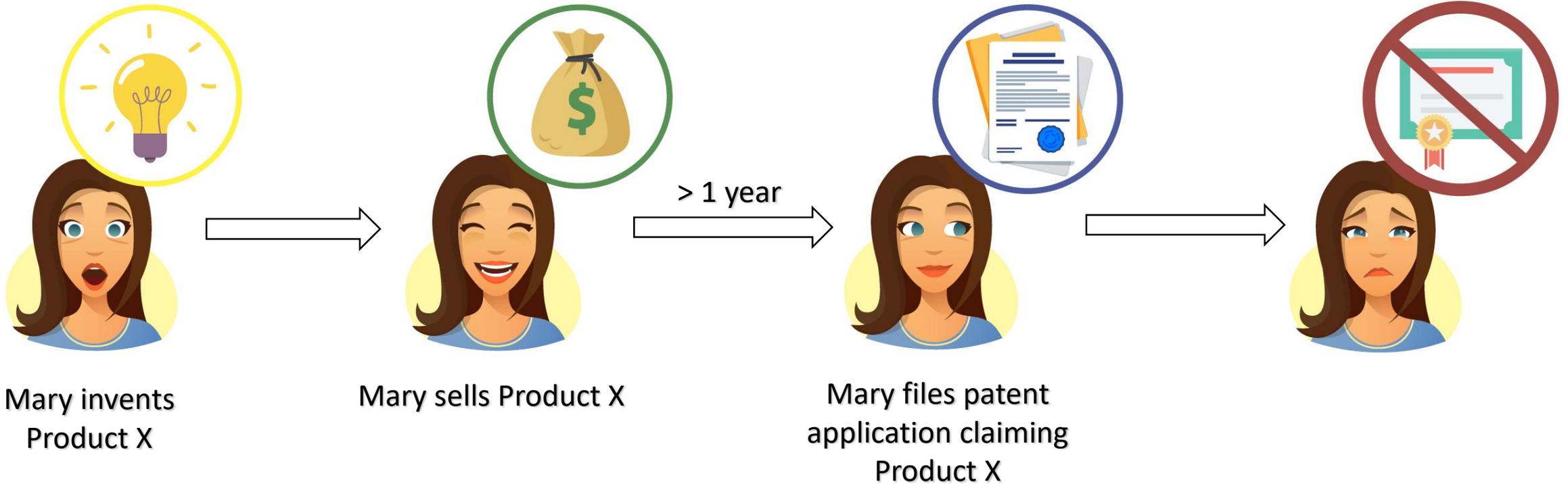
# Pre-patent disclosures are risky



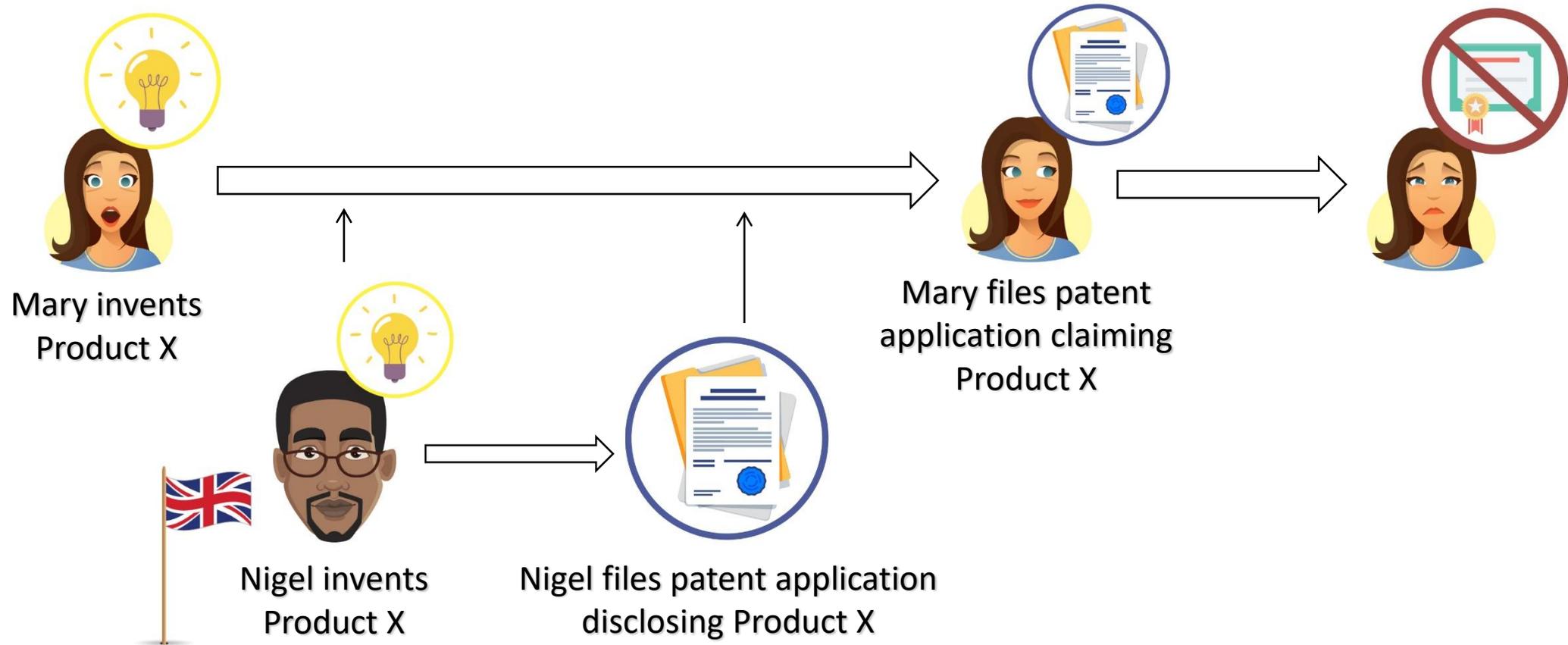
- “Disclosure” = ***described in a printed publication*** (marketing brochure, website, research paper, etc.), ***on sale*** (includes pre sales and confidential sales), ***otherwise available to the public*** (YouTube, Instagram, trade show, etc.)
- In the U.S., inventor has one year from date of first disclosure to file a patent application, **BUT**:
  - Most foreign countries have no grace period
  - If someone else publicizes your invention or files a patent application before you do, you could lose patent rights



# Example: Don't Wait to File



# Example: Don't Lose the Race to the PTO



# Some Practical Tips

- If you **HAVE TO** talk about your invention before the patent application is filed:
  - Keep it confidential – NDA with no “residuals” clause
  - Describe it in general terms – e.g., what it can do, but not how it does it
  - Don’t disclose enough to enable someone to make and use it
  - Don’t disclose any proprietary information unnecessarily



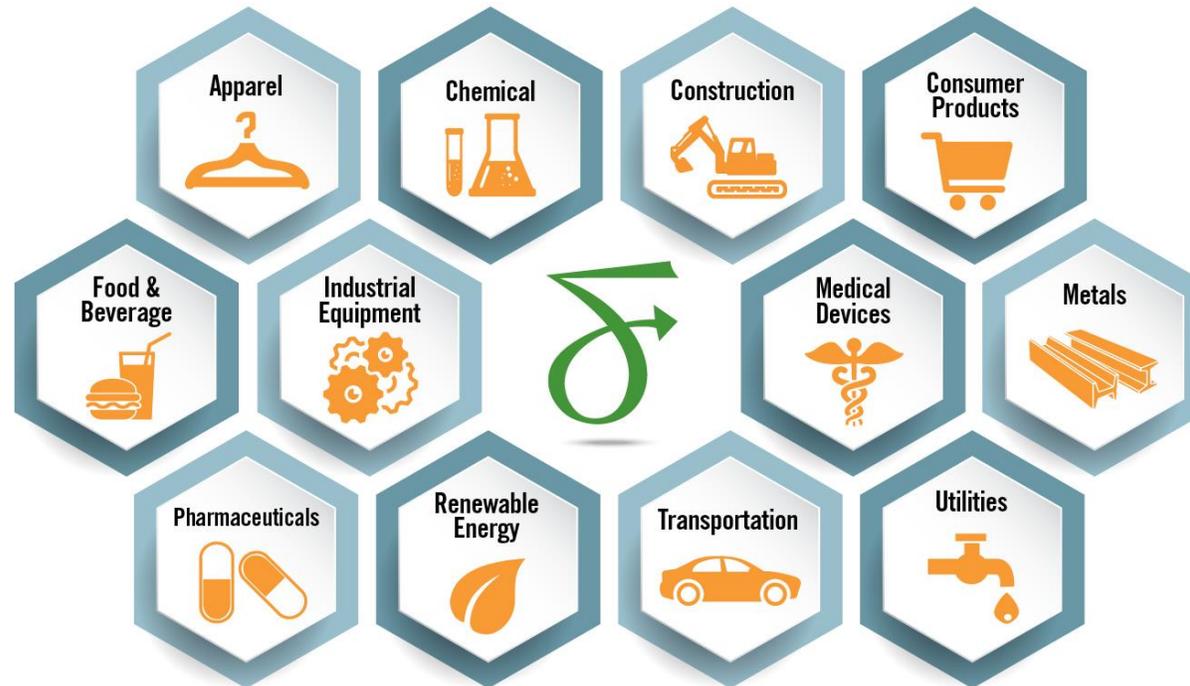
# More Practical Tips

- File patents on key products (what's the market potential?)
- Obtain pre-marketing clearance for new products
  - Does a third party own a patent on the product you want to launch?
  - Address potential issues before entering market (e.g., obtain license, design around, etc.)
- Monitor IP of close competitors
- Consider IP in ALL partnerships and agreements
  - Joint development, consultants, service providers
  - Protect your inventive contributions



# The Fox Rothschild Manufacturing Team

Our Manufacturing Team combines deep experience and industry knowledge spanning a wide range of legal disciplines to provide clients with the strategic advice they need to succeed.



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# Thank You

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