

Intellectual Property Procurement and Protection in the United States

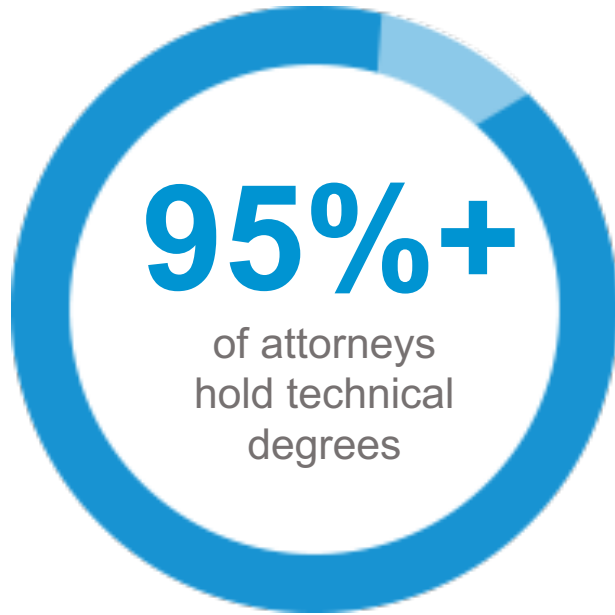
July 23, 2020

Dan Altman

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Knobbe Martens Profile



Global Practice



through large network of
Foreign Associates



Offices Nationwide

Orange County
Los Angeles
New York
San Diego
San Francisco
Seattle
Washington D.C.

200 Highest number of registered
patent attorneys in the US
practicing across a **vast array** of industries

250+ lawyers &
scientists

All our attorneys are **focused only on intellectual property and technology law**
as opposed to general practice firms that have smaller IP departments

Knobbe Martens Is a Full Service IP Firm

Patents

- Design Patents
- Global Portfolio Management
- Patent Prosecution
- USPTO Ex Parte Patent Proceedings

Litigation

- Appellate Practice and the Federal Circuit
- Arbitration and Other ADR
- Complex/Joint Defense Litigation
- Consumer Electronics Litigation
- Consumer Products Litigation
- Copyright and Design Patent Litigation
- ITC Litigation
- Nationwide Litigation
- Trade Secret Litigation
- Trademark and Unfair Competition Litigation
- Trials

USPTO Trials & Post-Grant Proceedings

- Covered Business Methods
- Derivation Proceedings
- Inter Partes Review
- Patent Interferences
- Post-Grant Review

Trademarks & Brand Protection

- Domain Name and Website Content Disputes
- International
- Trademark Clearance, Registration and Enforcement
- TTAB Proceedings

Data Privacy & Security

- Audits
- Breach Preparedness and Response
- Compliance with Federal, State and International Laws
- Marketing and Behavior Analytics Compliance
- Privacy by Design
- Privacy Policies and Notices

Copyrights

IP Strategy

- Due Diligence
- Opinions and Counseling

IP Transactions and Agreements

Primary Types of Intellectual Property

- Patents: protect how products work and look (inventions)
- Trade Secrets: protect confidential business information (competitive knowledge)
- Trademarks: protect brand names and logos to identify or distinguish goods and services (good will)
- Copyrights: protect original works of authorship (books, songs, movies, and computer programs)

Patent Protection

Patent Grants the Right to Exclude

- A patent provides the right to exclude
 - Specifically, the right to exclude others from making, using, selling, offering for sale, or importing patented invention in the US
 - Does not provide right to carry out those acts
- Types of Patents
 - Utility: function of product
 - Design: appearance of product
 - Plant: new variety of asexually reproduced plant (e.g. cuttings)

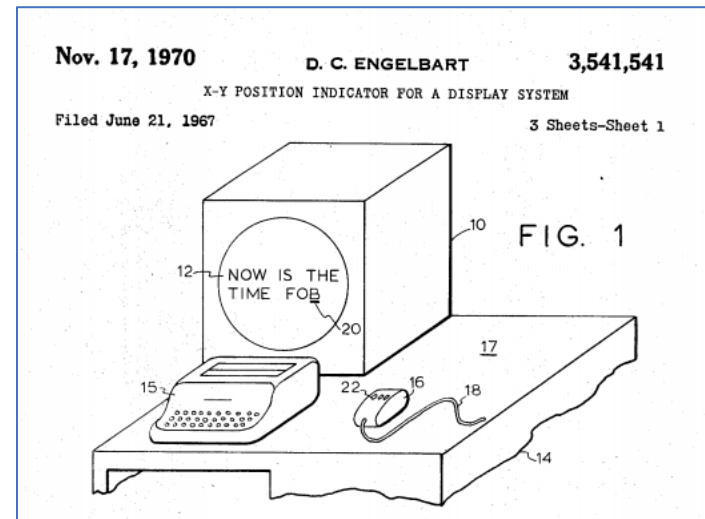
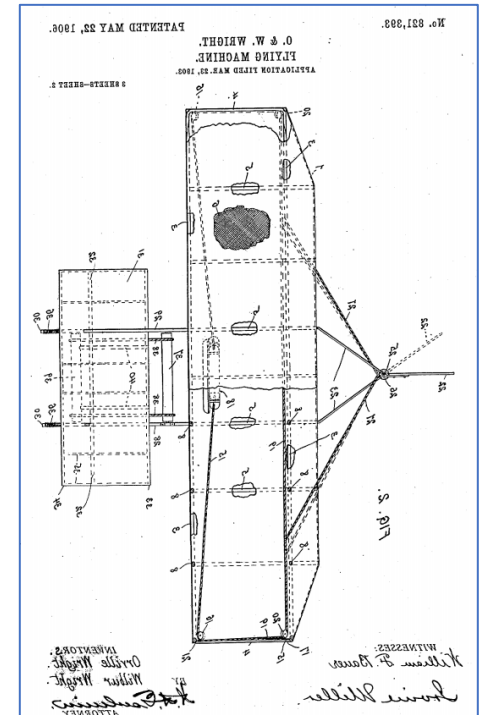
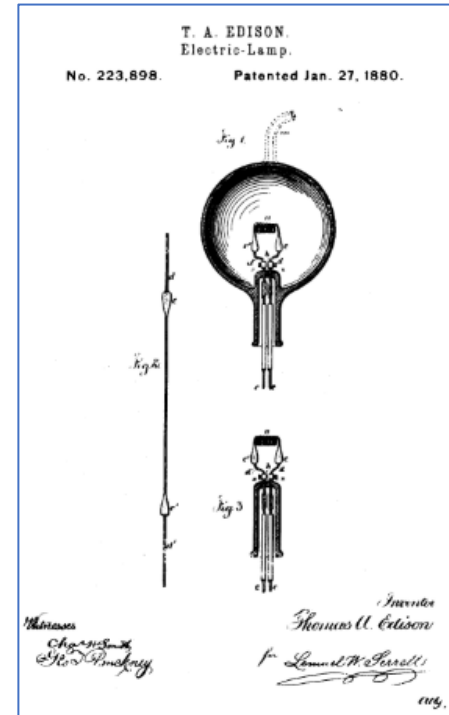
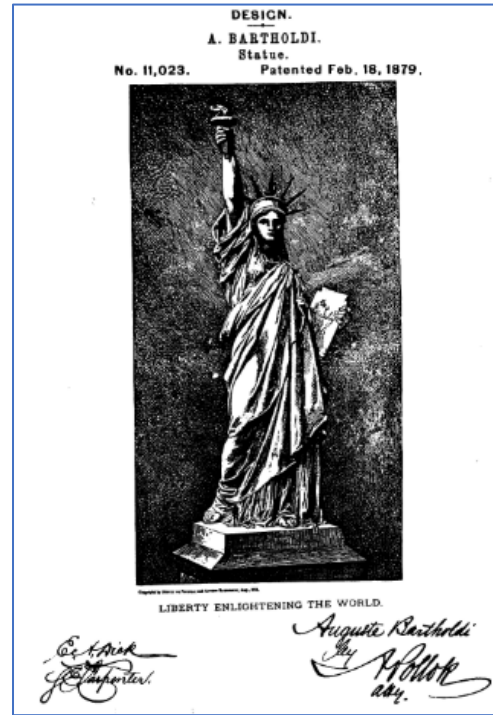


Over Ten Million U.S. Patents Granted

- Patent 1 (1790)
 - On July 31, 1790 Samuel Hopkins was issued the first patent for a process of making potash, an ingredient used in fertilizer
- Patent 10,000,000 (2018)
 - Issued on June 19, 2018 to Joseph Marron (Raytheon Co.) for an improved lidar
- As of July 2020, patents currently being granted numbered in the 10,700,000's

Famous Patents

- “The Real McCoy”
 - In 1872, Elijah J. McCoy received U.S. Patent No. 129,843 for an automatic lubricating device that enabled steam locomotives to run without stopping for lubrication
- Statute of Liberty
 - In 1879, Parisian sculptor Auguste Bartholdi received U.S. Design Patent No. 11,023 for a sculpture depicting “Liberty enlightening the world”
- The Light Bulb
 - In 1880, Thomas Edison received U.S. Patent No. 223,898 for the light bulb
- Airplane
 - In 1906, the Wright Brothers received U.S. Patent No. 821,393 for a “Flying-Machine”
- Computer Mouse
 - In 1970, Douglas Engelbart received U.S. Patent No. 3,541,541 for the computer mouse



Three Common Mistakes Made by Patent Applicants

- Relying on poorly-drafted provisional application for priority
- Filing first outside U.S. when any part of invention made in the U.S
- Not filing continuation applications

Patent Enforcement

U.S. Patent Litigation

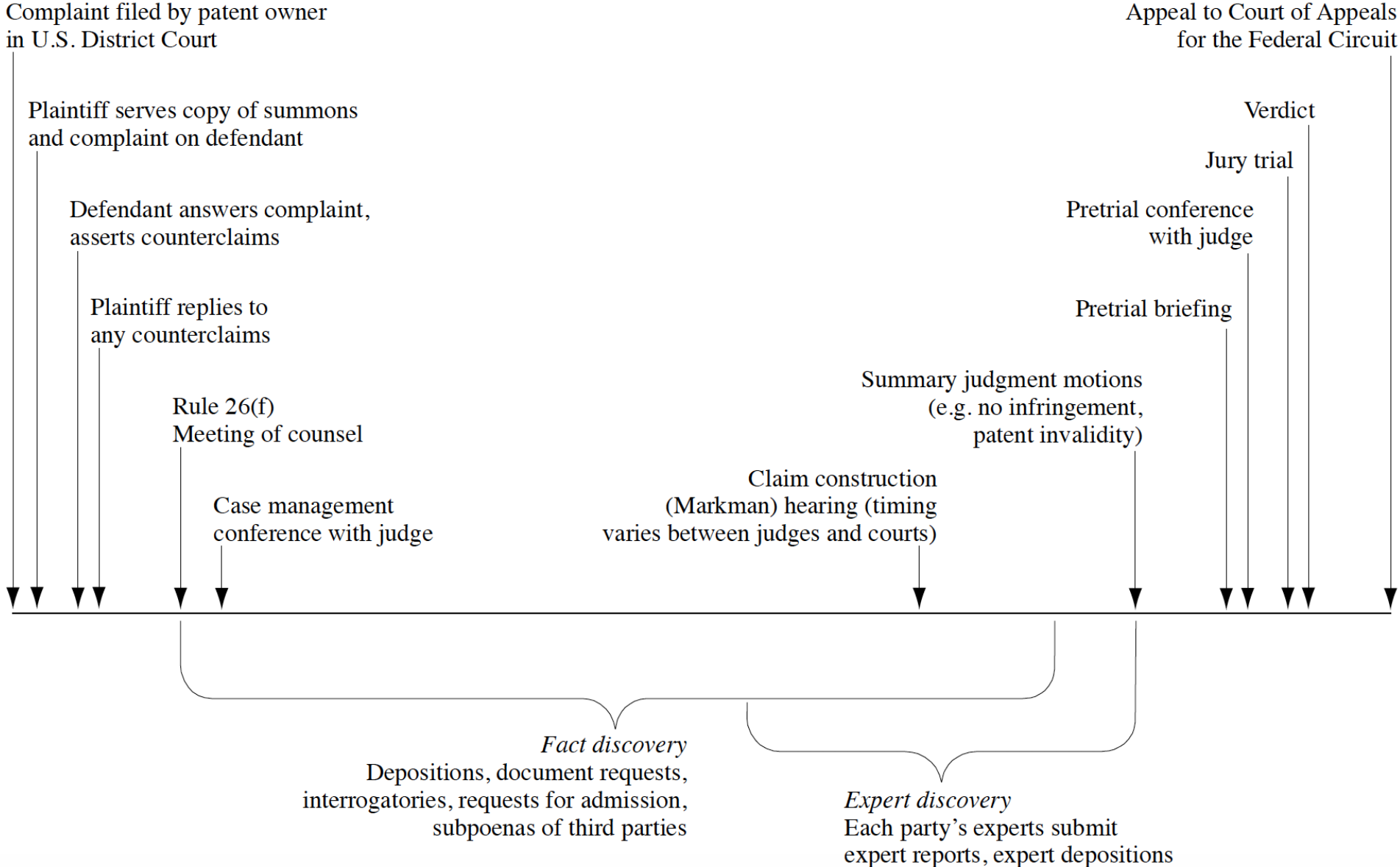
- U.S. Patent litigation can be costly.

AMOUNT AT RISK	MEDIAN LITIGATION COST
Less than \$1 Million	\$700,000
\$1 - \$10 Million	\$1,500,000
\$10 - \$25 Million	\$2,700,000
More than \$25 Million	\$4,000,000

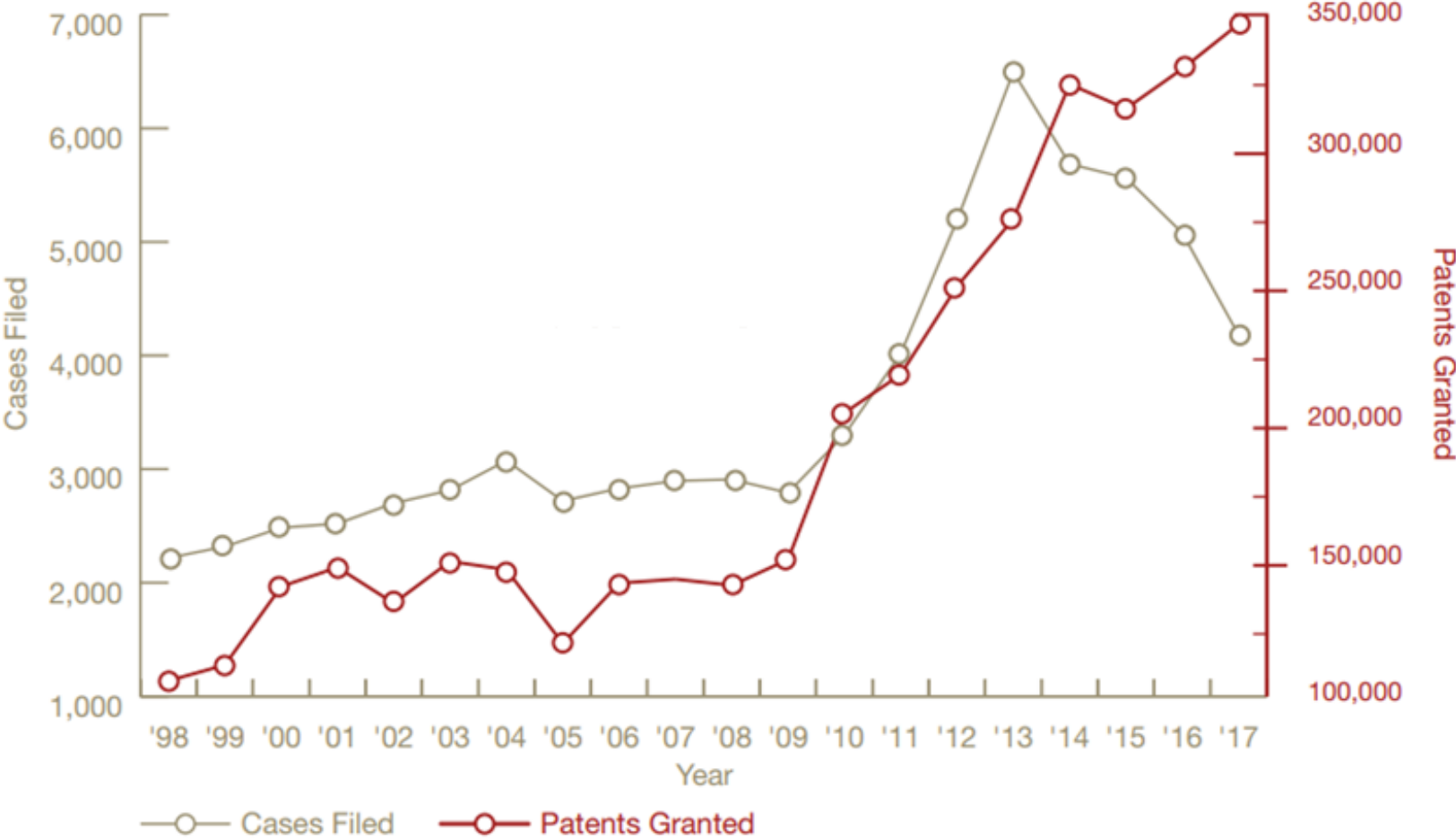
Source: American Intellectual Property Law Association (AIPLA) 2019 Report of the Economic Survey.

- Why so costly?
 - Extensive fact discovery (practically very few limits)
 - Claim Construction – Court determines meaning of patent claims
 - Jury trial
- Average time to trial ~2.5 years.
- More than 95 percent of patent cases are resolved before trial, mostly through settlement.

Typical U.S. Patent Litigation Process

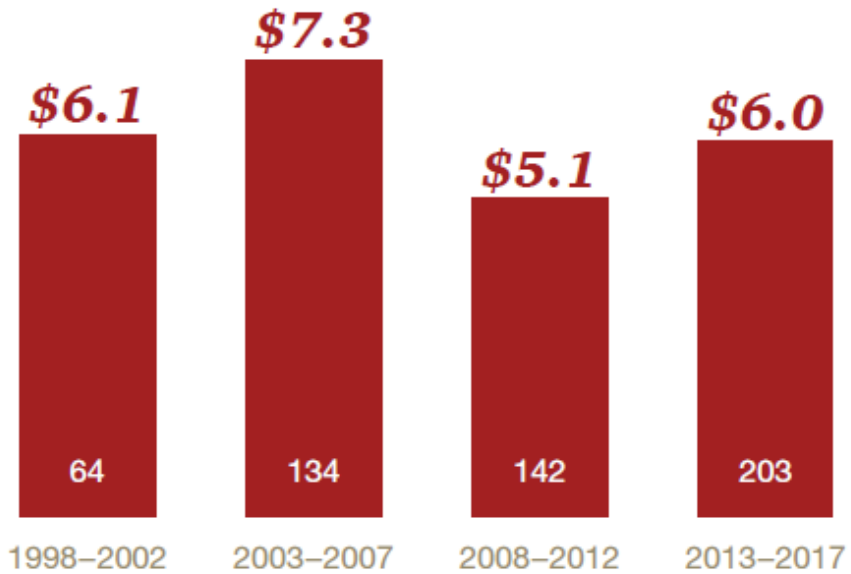


Patent Case Filings



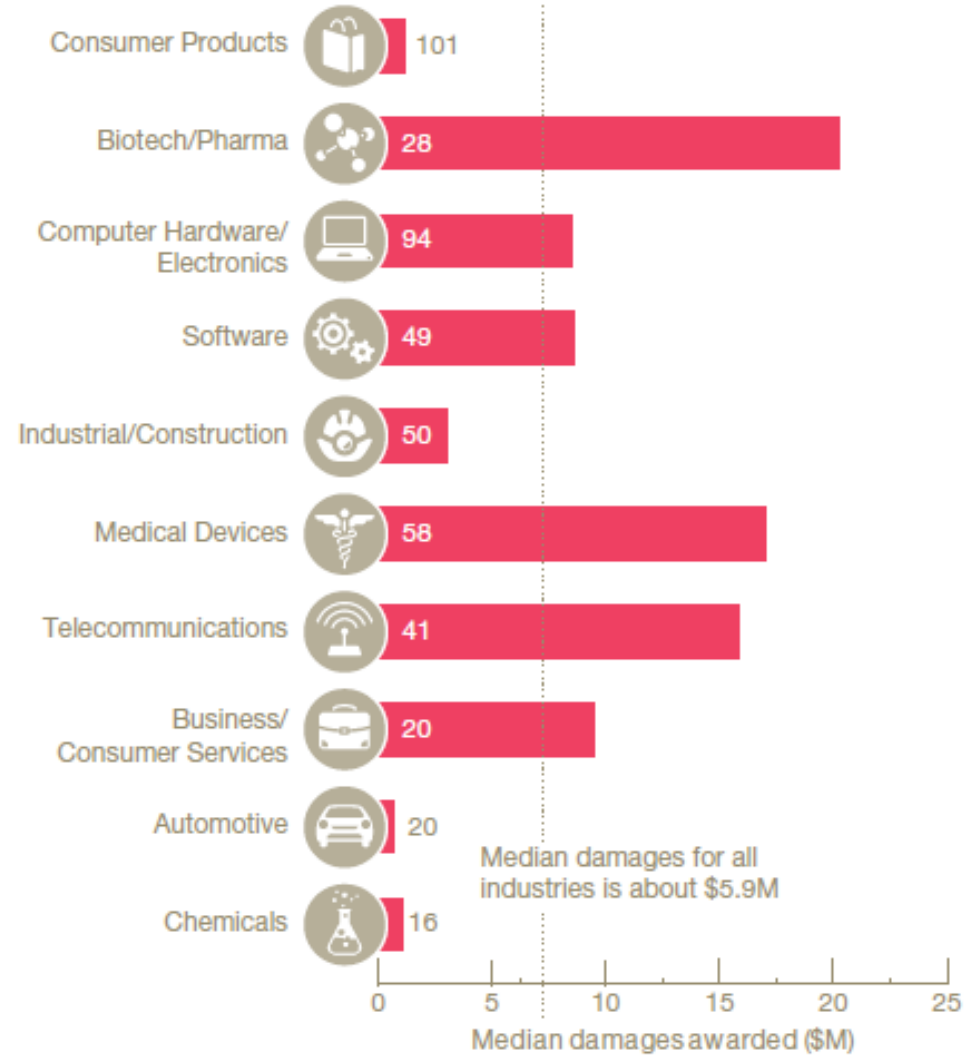
Source: PWC 2018 Patent Litigation Study

Median Damages Awards



The number of identified decisions is indicated within the respective column.

Source: PWC 2018 Patent Litigation Study



The number of identified decisions is indicated within the respective row.

Trade Secrets Protection

Overview of Trade Secrets Protection

- Trade secret is:
 - any information
 - that derives economic value from being secret
 - is subject of reasonable efforts to maintain secrecy

- Protection against unauthorized misappropriation:
 - Acquisition by improper means (theft, bribery, fraud, industrial espionage, breach of contractual duty, misrepresentation)
 - Disclosure or use with knowledge or reason to know that information was acquired by improper means



Examples of Trade Secrets



TRADE SECRET Example..



- 125-year-old secret formula of Coca-Cola is at World of Coca-Cola in Atlanta
- Mrs. Fields Chocolate Chip Cookies
- Twinkie Cake Recipe
- Listerine
- Dr. J.J. Lawrence invented the antiseptic liquid compound Listerine, then licensed its secret formula



There are gaps in the Indian law protecting trade secrets. Perhaps we need to emulate the United States and protect such confidential information with criminal law.



Trade Secret Protection vs. Patent Protection

- Quid pro quo patent system
- Duration
- Reverse engineering and independent development
- How easy it would be to detect infringement
- Cost

Trade Secrets Enforcement

Expanded Protection under Federal Law

- California Uniform Trade Secrets Act (CUTSA) (State law cause of action)
- Defend Trade Secrets Act (2016) (DTSA) (Federal cause of action)
- Generally there are no substantive differences between CUTSA & DTSA
- Federal cause of action with expanded remedies
 - Injunction to prevent any actual or threatened misappropriation (available upon finding of misappropriation)
 - Civil seizure in extraordinary circumstances
 - Prior to a formal finding of misappropriation, a court on ex parte application by a trade-secret owner may “issue an order providing for the seizure of property necessary to prevent the propagation or dissemination of the trade secret that is the subject of the action”

Trade Secret Litigation

- Trade Secret litigation is also costly.

AMOUNT AT RISK	MEDIAN LITIGATION COST
Less than \$1 Million	\$550,000
\$1 - \$10 Million	\$1,750,000
\$10 - \$25 Million	\$4,125,000
More than \$25 Million	\$7,500,000

Source: American Intellectual Property Law Association (AIPLA) 2019 Report of the Economic Survey.

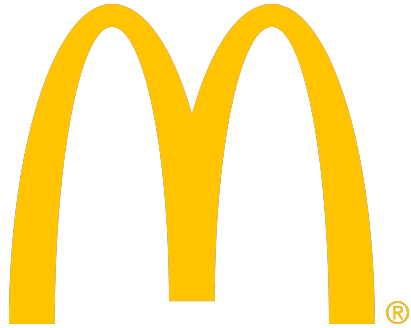
- Reflects a large increase in costs in recent years.
- Litigation timeline generally the same as patent disputes (but no claim construction).

Trademark Protection

Overview of Trademark Protection

- Protection for words, symbols, and designs that identify or distinguish source of products or services
- Protection against unauthorized use in a manner that is likely to cause confusion, deception, or mistake about the source of the goods or services

Famous Marks – Designs and Logos



Famous Marks – Word, Phrases, and Slogans

*ASPIRIN

AMAZON

BAND-AID

IBM

ROLEX

FACEBOOK

GOOGLE

JEEP

KLEENEX

KNOBBE MARTENS

MAPLE

POST-IT

SCOTCH TAPE

SHARPIE

TYLENOL

UBER

ZIPLOC

JUST DO IT

WHAT CAN BROWN DO FOR YOU?

Famous Marks – Sounds



Registration of Trademarks

- No requirement to register with the U.S. Patent and Trademark Office, but there are many benefits of registering
 - Nationwide priority to use the mark across the entire U.S.
 - Presumption of validity, ownership, and the exclusive right to use the mark (can become incontestable after 5 years)
 - Right to use ® symbol
- Can register with intent to use the mark
 - available in US and Canada

Trademark Enforcement

Trademark Enforcement Mechanisms

- Protect your brand or risk losing trademark rights.
- Three mechanisms:
 - Cease and desist letters
 - Trademark Trial and Appeal Board (TTAB) Opposition Proceedings
 - An administrative proceeding where one party seeks to prevent another from registering a mark
 - Trademark litigation
- Test for trademark infringement: the defendant used a mark without the consent of the plaintiff in a manner that is **likely to cause confusion among ordinary consumers as to the source, sponsorship, affiliation, or approval of the goods.**

Questions?

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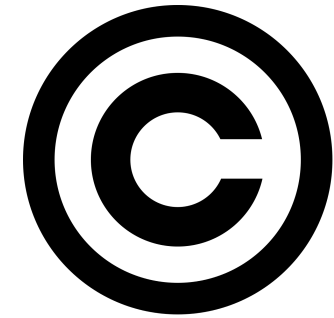
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Copyright Protection

Overview of Copyright Protection

- Protection of “original works of authorship” (author’s expression) against unauthorized copying
 - Literary works (including computer programs)
 - Musical works (including any accompanying words)
 - Dramatic works (including any accompanying music)
 - Pictorial, graphic, and sculptural works
 - Motion pictures and other audiovisual works
 - Sounds recordings
 - Architectural works
- Copyright protection is automatic upon the work being fixed in a tangible medium



Copyright Registration

- No requirement to register with the U.S. Copyright Office, but there are many benefits of registering:
 - Pre-requisite for filing infringement suit in court
 - Prima facie evidence of validity
 - Eligibility for statutory damages, willful infringement, and attorney's fees
- Expedited registration available for a small fee (1-2 weeks)

Knobbe Martens

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