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Intellectual Property Law

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INTELLECTUAL PROPERTY

A MANUFACTURING PERSPECTIVE

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Intellectual Property

- Two types of property
 - “Tangible” property
 - Personal property - cars, boats, etc.
 - Real property - land, houses
 - Intellectual Property
 - Inventions
 - Literary and artistic works
 - Symbols, names, and images used in commerce.



Forms of Intellectual Property

- Patents
- Trademarks
 - Including:
 - Service Marks; and
 - Trade Dress
- Trade Secrets
- Copyrights



Why Obtain IP?

- Increase market value and market share
- Create and enhance product brand value
- Offensive against competitors
 - Keep competitors out of your market
 - Keep competitors out of areas of their own market
- Defensive against competitors
 - Bargaining chips in case sued by competitors
- Generate Income
 - Ability to forecast future revenue/profit



Constitutional Basis

- Article I, Section 8:
 - “The Congress shall have the power to
 - promote the progress of science and useful arts,
 - by securing for limited times to authors and inventors
 - the exclusive right to their respective writings and discoveries”



Trademarks

- Indication of source or origin of goods or services
- Rights flow from ***use***
 - Registration is confirmation of rights
 - Gives various advantages
- Rights are tied to specific type or types of products in a specific market
- No rights in the absence of actual use of mark in the relevant market



Trademarks

o Duty to Police Marks

- Scope of right will lessen if competitors allowed to use similar marks
- Rights may be lost if mark allowed to become generic term
 - Aspirin
 - Escalator
 - Cellophane
 - Thermos
 - Nylon



Trademarks - Hierarchy

- Coined
- Arbitrary
- Suggestive
- Descriptive
- Generic



Strong

Weak



Trademarks

- Strongest marks are coined or arbitrary
 - Xerox - coined
 - “Apple” for computers - arbitrary
- Suggestive marks are more difficult to protect
 - Netscape
 - Silicon Graphics
- Descriptive marks are most difficult to protect
 - Buy.com



Trade Secrets



- General Definition:
 - (1) a secret which gives its owner an actual or potential advantage in business, and
 - (2) which the owner exercises reasonable measures to maintain as a secret.
- No standardized definition or uniform enforcement
- Potential to last forever



Trade Secret Factors

- How well the information is known outside the company
- How well the information is known by employees and others inside the company
- Measures taken to maintain secrecy of the information
- Value of the information
- Amount of money spent developing the information
- How easily the information may be duplicated or acquired by others



Trade Secrets

Risks

- Independent discovery by others
 - May result in secret lasting less than what patent term otherwise would have been
 - Others may patent your trade secret
- Inability to maintain the secret
 - Employees leave, reverse engineering, etc.
- Enforcement and remedies vary state-to-state

Rewards

- Potential for infinite term
 - Can significantly exceed 20 year patent term
- No disclosure required to obtain



Copyright



- Right attaches to a creative work fixed in a tangible medium
 - Book
 - Photograph
 - Painting
 - Sculpture
 - Musical work
 - Music/Lyrics
 - Sound Recording



What is a Patent?

- The grant of an right to exclude others from making, using, selling, or importing a product for a limited time
- Must be a new and non-obvious invention
- Right to exclude, *not* a right to make
 - May be subject to the patent of another



THE PATENT BARGAIN



- Inventor gets the exclusive right (to exclude others) for limited time
- Public gets full disclosure of the technology; right to use when patent expires



“Patent Bargain” places emphasis on the patent document itself

- Patent rights flow from patent application
 - Written description or “specification”
 - Drawings when appropriate
 - “Claims”
 - Claims define the scope of patent “monopoly” sought
 - Each claim stands or falls on its own
 - Infringement and validity of each claim determined separately



Requirements for Invention to be “Patentable”

- Statutory subject matter - §101
 - Process, machine, manufacture, composition of matter, or improvement thereof
- Novelty - §102
 - All elements not found in a single prior-art reference
- Non-obvious - §103
 - Person of “ordinary skill” would not be able to arrive at the invention upon reviewing one or more prior-art references



Novelty Under the Various Subsections of §102

- §102(a) -- Not patentable if before the date of *invention* by the applicant, the invention was:
 - Known or used by others in this country
 - Patented or described in a printed publication in any country



Novelty Under the Various Subsections of §102

- §102(b) -- Not patentable if more than one year before the date of *filing* the application, the invention was:
 - Patented or described in a printed publication in any country
 - In public use in the United States
 - On sale in the United States



Novelty Under the Various Subsections of §102

- §102(c) -- Not patentable if the inventor abandoned the invention
- §102(d) -- Not patentable if the inventor (or his legal representatives) filed for a foreign patent more than 12 months before the U.S. filing
- §102(f) -- Not patentable if the applicant did not invent the subject matter himself

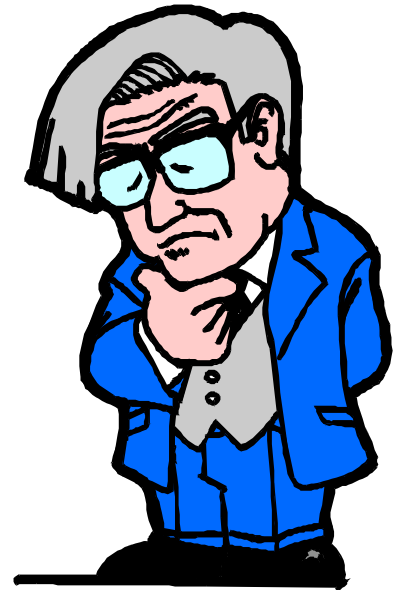


Requirements for the Patent Application - §112

- Enablement
 - Teach how to make and use invention without undue experimentation
- Written description of invention
 - Explains what the applicant believes the scope of the invention to be
- U.S. only – “best mode”
 - Duty to describe the best mode of carrying out the invention known to the inventor at the date of filing

THE BETTER THE DISCLOSURE...

- THE STRONGER THE PATENT
- THIS IS THE **OPPOSITE** OF WHAT MANY PEOPLE THINK
 - More detailed patent specification supports broader claims!





Types of Patent Applications

- Provisional Application
 - “Foot-in-the-door” application
 - Minimal formal requirements
 - Low cost
 - Preserves filing date
 - Not examined
- Utility or “Non-Provisional” Application
 - “Real” patent application
 - Must meet all formal requirements
 - Proceeds to examination/issuance



Patent Claims

- Series of numbered paragraphs that define scope of invention
 - Typically arranged from broadest to narrowest
 - May include apparatus, method of making, method using, etc.
 - Design patent has only one claim, referencing the figures
- Obtaining allowance of claims is process of negotiation
 - Most applications are initially rejected



Best Practices

Must manage patents proactively

- Educate company personnel on importance of patents
- Company policies to put potential inventions before management or patent committee
- Make rational choices about scope of IP protection sought
 - Patent versus Trade Secret
 - Trademark protection desired?

- ● ● | Manufacturing Sector - Look Beyond “Typical” Subject Matter

- New products – of course!
- Don't forget methods
 - Methods of manufacturing
 - Methods of using
 - Methods of designing
- Intermediates and components of products
 - Not just the complete assembly!





Company IP “Kit”

- Should at least include:
 - Company intellectual property policy
 - Employee Agreements
 - Duty to assign
 - Confidentiality
 - Form non-disclosure agreement
 - Invention disclosure form
 - Design notebook insert/instruction form
 - Invention assignment form
 - From employee (inventor) to company



Laboratory Notebook

- Best mechanism to maintain records of conception and reduction to practice
 - Often used as evidence in litigation
- Detailed and accurate timeline of inventor's ideas, experimental results and modifications
- Source from which invention disclosures may be "mined"



Laboratory Notebook

o Original Entry

- Make entries in notebook FIRST
- First notes on anything (ideas, sketches, diagrams, graphs)
- Detailed reference to other documents
- Notes summarizing discussions and meetings
 - Subject
 - Results
 - People present



Notebook Rules

- Colleague with ability to understand should witness each page with signature and date
- No blank spaces or pages
 - Mark out blank areas with “Z’s” or “X’s”
- Pages should not be removed
- Notebook should be permanently bound
 - No pages removable or addable



Invention Disclosure

What to disclose?

- Complete written disclosure of invention
- Drawings and/or sketches
- Multiple embodiments
- ALWAYS include the “best mode”
- Inventor and witnesses (at least two) sign
- Materials
 - Test data
 - Marketing Literature
 - Technical papers/journals



Invention Disclosure

What to disclose (cont'd)?

- Important dates
- Important people
- Distinctions/advantages over the prior art

When to disclose?

- Promptly after inventor has determined achieve the desired results
- Not necessary to wait for a working embodiment for disclosure or patenting



Patent vs. Trade Secret

- Usually mutually exclusive
 - But not necessarily for competitors
- Difference in term
 - 20 years from filing versus indefinite
- Difficulty in maintaining
 - Patent – relatively easy
 - Trade Secret – relatively difficult
- Value to the business
 - Patent values are more easily determinable
 - Trade secret value may not be determinable because of their secret nature



Hypothetical

Company A:

- Owns a patent directed to “widgets”
- Maintains trade secret related to method to manufacture widgets
 - The widgets are very complex

Company B

- Wants to manufacture and sell Widgets, but cant because of patent



Hypothetical Cont'd

- A's patent expires
- A continues to manufacture widgets using trade secret method
- B begins to manufacture and sell widgets
 - B independently develops the same manufacturing process
- B files patent application on manufacturing method



Hypothetical Cont'd

Results:

- A cannot sue B on independently acquired trade secret
- A cannot stop B from obtaining patent on A's manufacturing method
 - A also cannot obtain their own patent on manufacturing method "in use" for more than a year

But:

- B cannot enforce patent against A
- B can prevent A from licensing the (now patented) manufacturing method to others



Hypothetical Conclusion

- How could A have avoided this?
 - File patent application directed at methods of manufacture
 - Not just apparatus
 - Publish trade secret manufacturing methodology to prevent B from obtaining patent
 - May be published in obscure location
- However, A may choose to take the risk keeping method a secret
 - If not independently discovered, competitive advantage may last indefinitely

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QUESTIONS?

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THANK YOU !

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