



Silicon Flatirons Center

A Center for Law, Technology, and Entrepreneurship  
at the University of Colorado



# INTELLECTUAL PROPERTY FOR ENTREPRENEURS

**CRASH  
COURSE**

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*A Broader Perspective<sup>SM</sup>*

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# ***Intellectual Property***

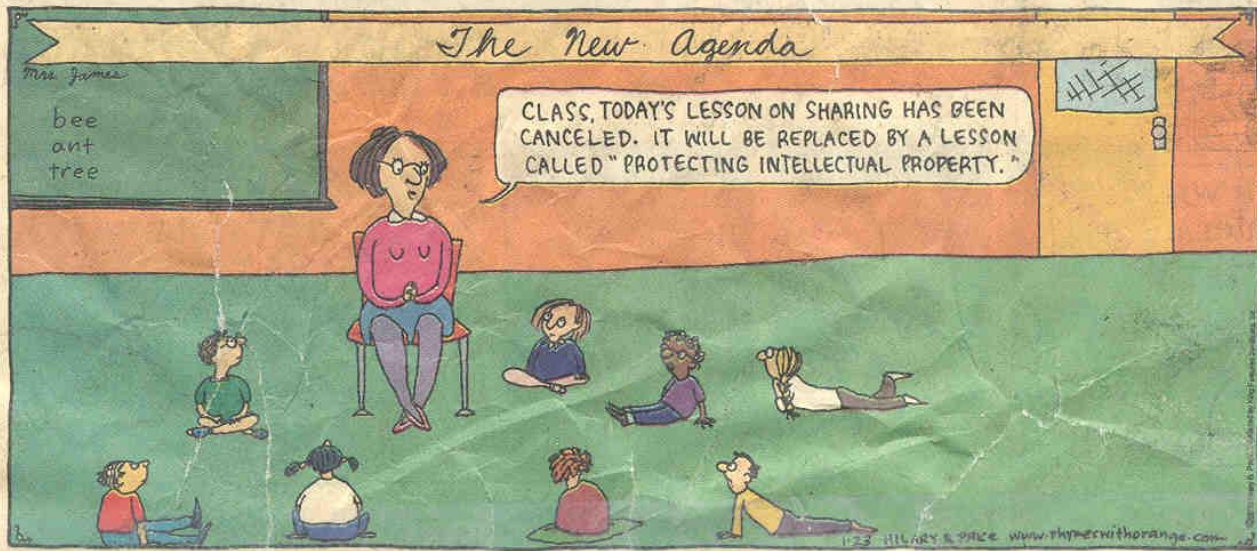
***It's everywhere***

***What is it?***

***Why should I care?***

***What can I do about it?***

**RHYMES WITH ORANGE/** by Hilary B. Price

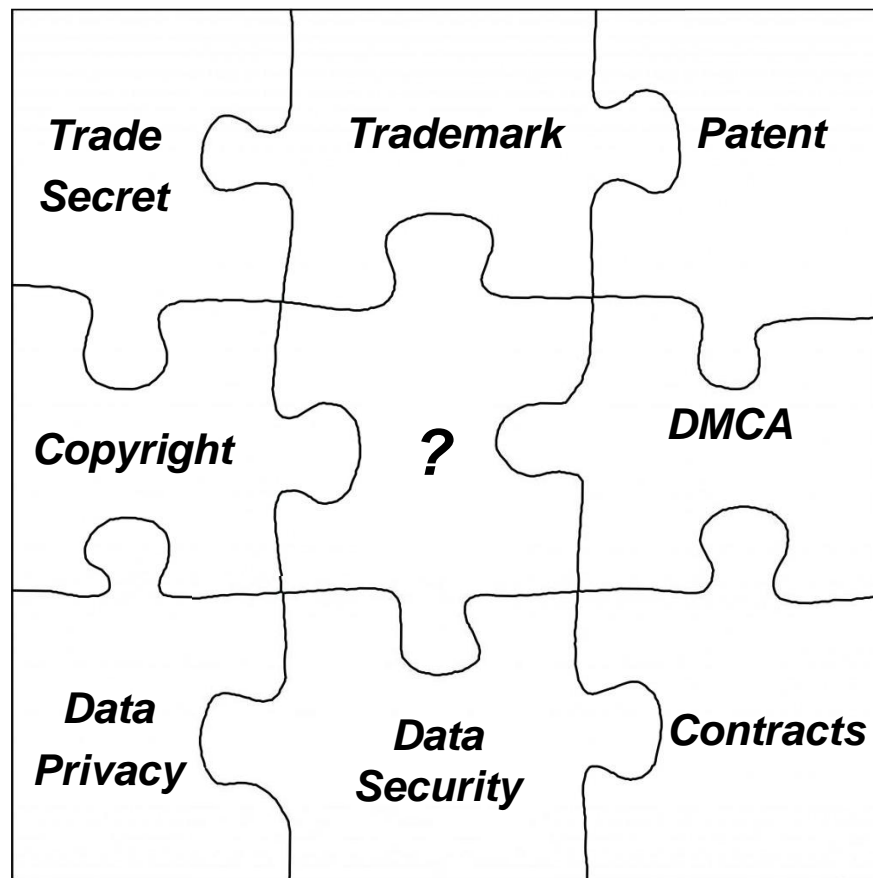


*Ownership*  
*Profit*  
**Opportunity**  
*Creating*  
*Value*

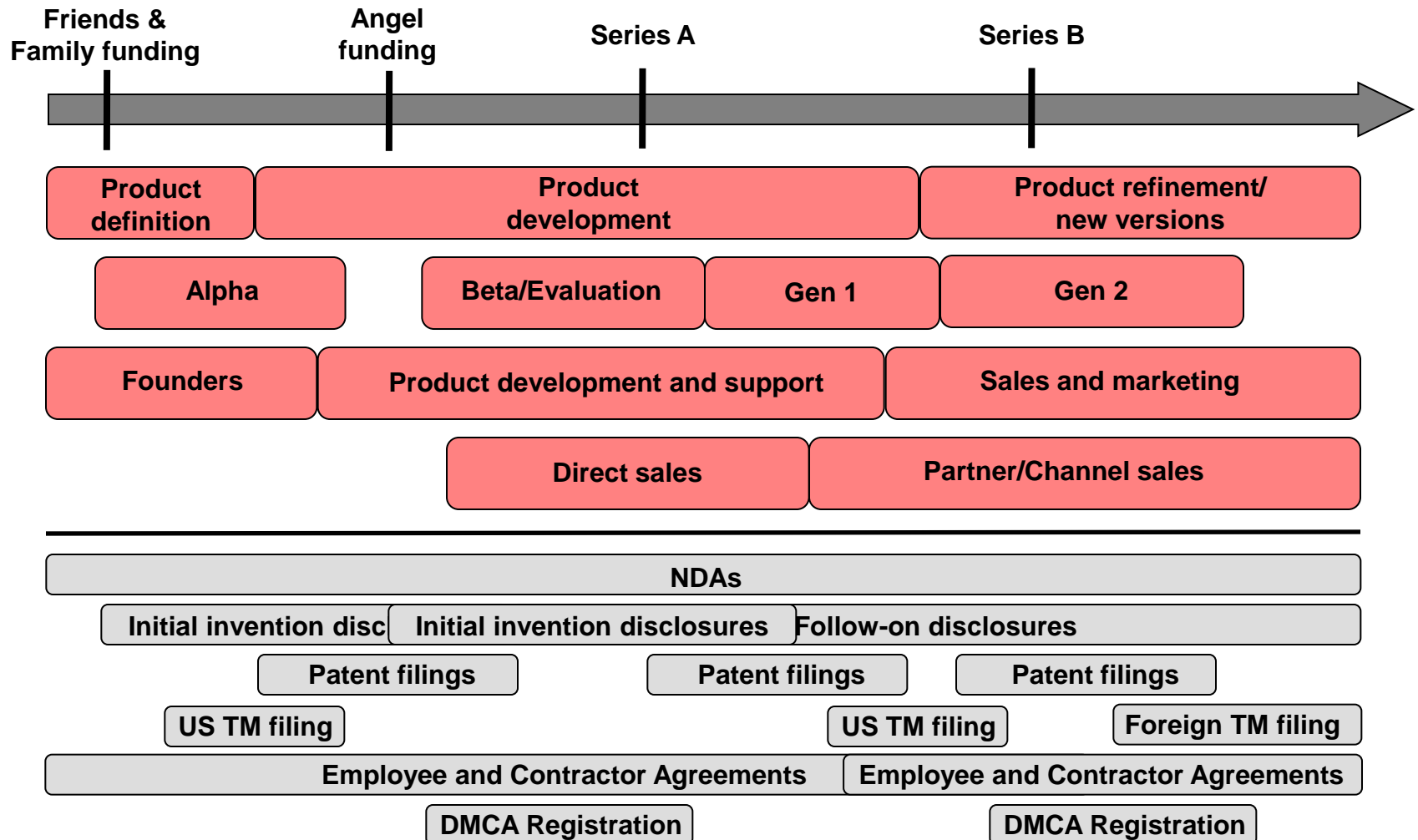
***The problem?***



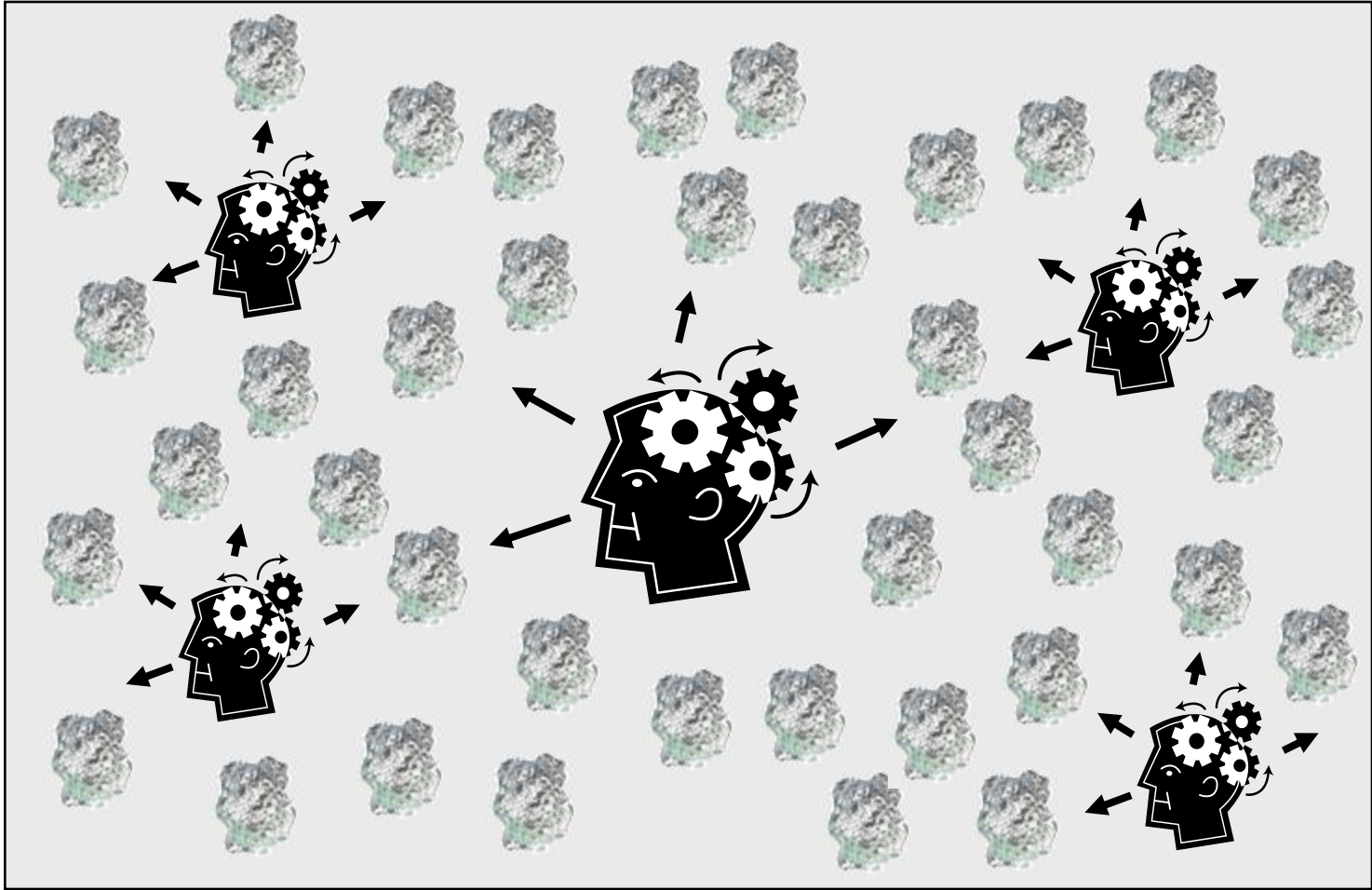
***Conscious choices***  
***In support of your business goals***  
***Tell your IP story***



# *Strategy*



***Ownership***  
***Centralize ownership***  
***Capture value***





*How?*

*Know the **tools***



*Know how to **use them***

Patents

Ideas and  
Inventions

Trademarks

Brand  
Identity

Copyrights

Creative  
Expressions

Trade Secrets

“Know-How”

Trade Secrets

“Know-How”

# Trade Secrets

## General Information

- Attributes
  - Not generally known or readily available
  - Independent economic value
  - Reasonable efforts to maintain secrecy
- Virtually any type of data or information
- Type or form of information is irrelevant
- Not registered, but still a form of property (like any other form of IP)
  - Licensable
  - Assignable
  - Able to be abandoned
- Created and enforced largely through contracts
  - Nondisclosure agreements (NDAs)
  - Employee and contractor agreements

# Trade Secrets

*Easily **obtained***

---

*Easily **lost***

# Trade Secrets

*Once the **secrecy** is gone  
The **trade secret** is gone*

# Trade Secrets

***NDA's***

***Quite common***

***Often overlooked***

***Not all equal***

***Do not take them for granted***

# Trade Secrets



# Trade Secrets

***NDA's***

***Do you need one?***

***What if the other side won't sign one?***

# Trade Secrets

## Trade Secret Misappropriation

- Acquisition, disclosure, or use in breach of a duty to maintain secrecy
  - Improper means to acquire
  - Knew or had reason to know acquired
    - Through improper means
    - Under duty to maintain secrecy or limit use
    - From someone else who had a duty to maintain secrecy
- Knew or had reason to know acquired through accident or mistake
- Independent development and reverse engineering

Patents

Ideas and  
Inventions

# Patents

***Legal “monopoly?”***

***Exclude from making, using & selling***

# Patents

***Legal “monopoly?”***

***Full disclosure***

# Patents

*Novel*  
*Useful*  
*Non-Obvious*

# Patents

Are **patents** evil?  
No, but **patent holders** can be

# Patents



# Patents

## Patent Applications

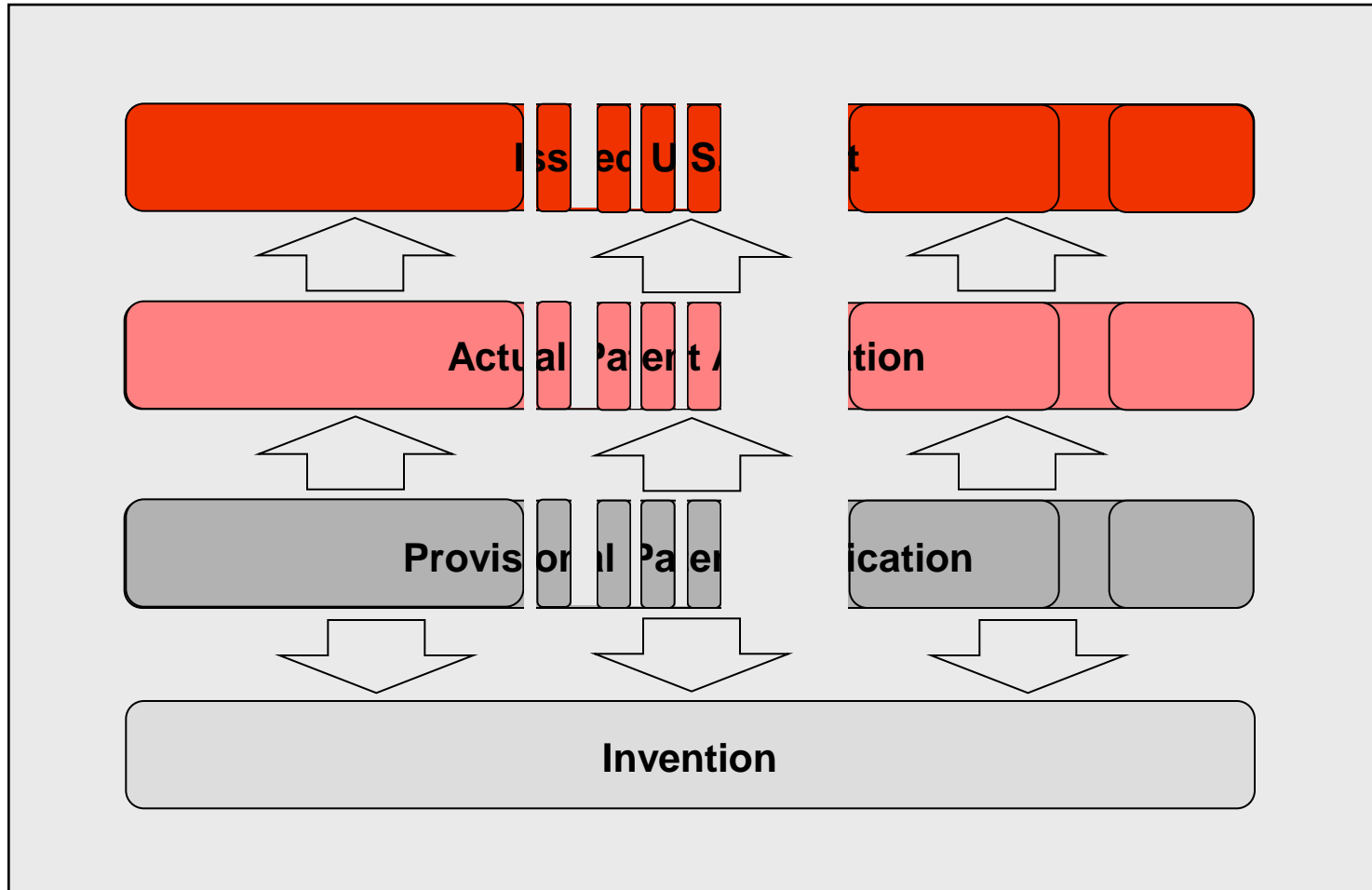
- Patents exist only in registered form
- Must file a patent application with the USPTO
  - Provisional Patent Application
  - Utility Patent Application
- Patent applications are *not enforceable* until the patent issues
- Once issued, provides 20 years of protection from the date of filing of the initial application

# Patents

## Provisional Patent Applications

- Many early stage companies rely on “provisional” applications
  - One-year grace period before filing regular application
  - Quicker?
  - Less expensive?
- Risks exist
  - Regular application limited to what is captured in the provisional
  - Limitations in the provisional
  - The “Power Point” provisional
  - New matter developed after the provisional is filed
  - Must file the regular application within the year
  - A good patent attorney can only help so much. . .

# Patents



# Patents

*America Invents Act  
(AIA)*

# Patents

## America Invents Act

- Signed into law September 16, 2011
- Fully effective March, 2013
- Called the most sweeping change to US patent law since the adoption of the U.S. Patent Act of 1952
- Goals:
  - Harmonization
  - Simplification
- Phased implementation (now fully implemented)
- Plenty of uncertainty

# Patents

## America Invents Act

- Filing reforms
  - First to file
  - Dilution of “best mode” requirement
- Examination reforms
  - Definition of prior art (“ . . . or otherwise available to the public”)
  - Inventor grace period
- Third party reforms
  - Expanded prior user rights
  - Expanded inter partes review
  - New post grant opposition system and third party submissions policy
- Additional reforms
  - Fee reductions (“microentity fees”)
  - Priority examination

# Patents

## First to File

*U.S. patent system was “first-to-invent”*

*U.S. patent system is now “first-to-file”*

# Patents

***U.S. Patent Filing “Bar date”***

***One-year grace period***

***Following first publication by the inventor***

# Patents

***Non-U.S. Patent Filing “Bar date”***  
***No grace period***  
***Following first publication or  
commercialization***

# Patents

***Prior art***

***On sale, used in public, published,  
or patented***

***Also “or otherwise available to the public”***

# Patents

*Why Patent?*

# Patents

*Defensive*  
*Offensive*  
*Licensing*  
*Resale*  
*Optics*  
*Ego*

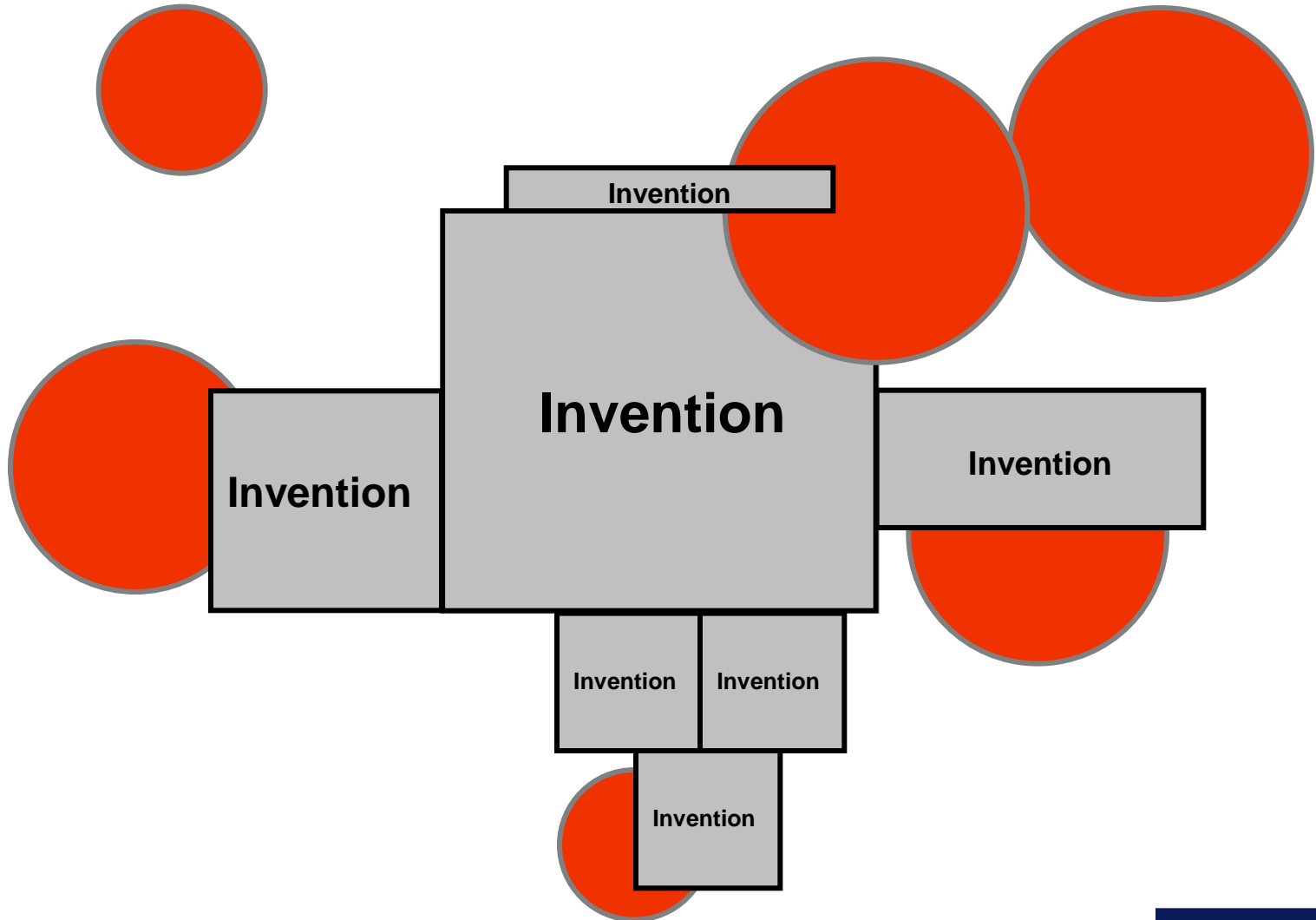
# Patents

*It is patentable?*

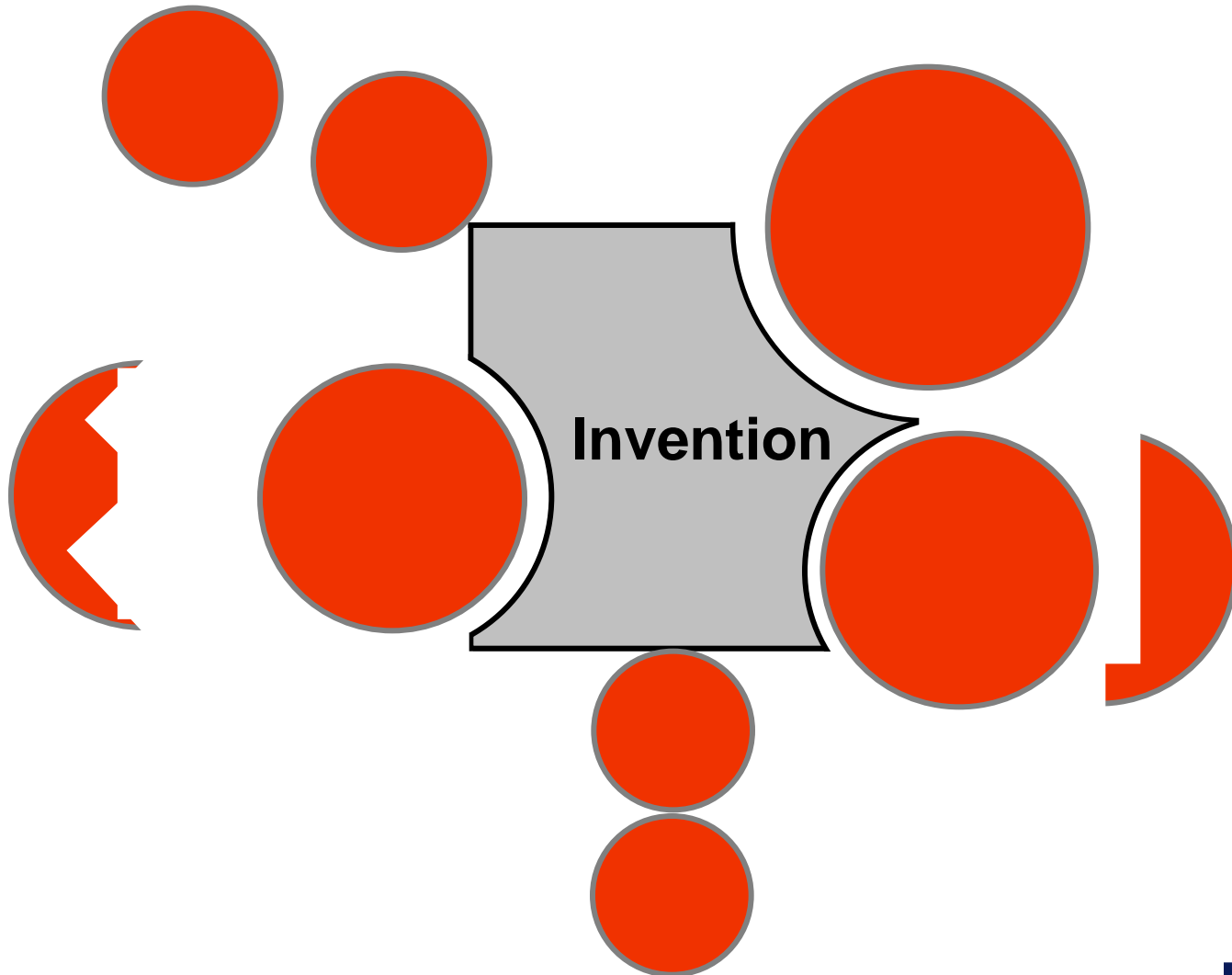
*“Anything under the sun made by man”*

*Not “if” but how strong*

# Patents



# Patents

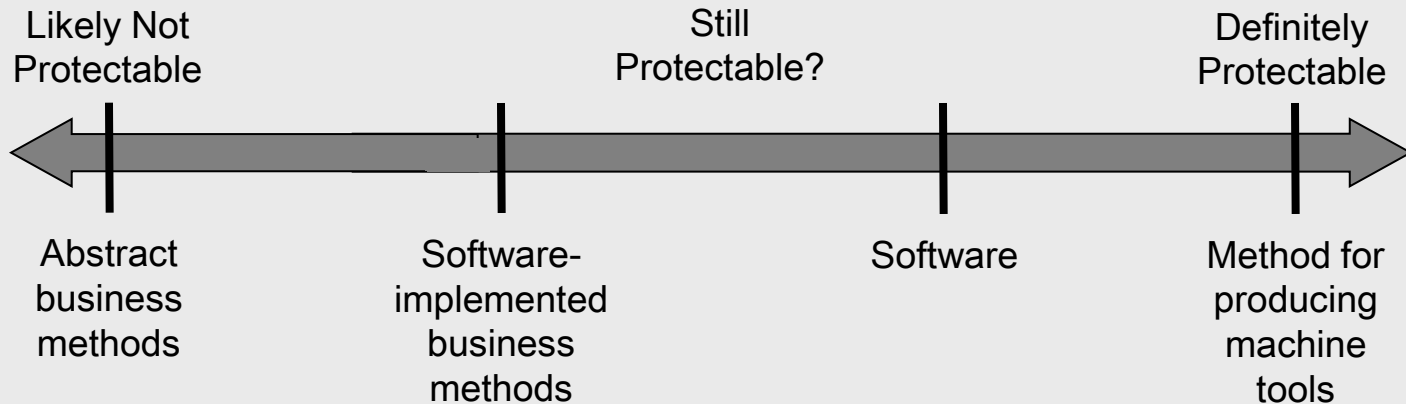


# Patents

## *Software and business methods*

*Are they still patentable?*

*Yes, but . . .*



# Patents



# Patents

## Ownership and Transfer

- Owner
  - Patents issued to the named inventors
  - Inventors can assign rights to employer or other third party
- Joint ownership
  - Joint owners owe no obligations to other owners
  - Contrast with copyright
- Assignments
  - Entire patent or an undivided interest
  - Must be in writing
- Licenses
  - Any owner may grant a nonexclusive license
  - Exclusive licenses only by agreement of all owners

# Patents

## Patent Infringement

- Infringement requires making, using, or selling in the U.S.
- Two types of Infringement
  - Literal infringement
    - Infringement of each and every element of a patent claim
  - Doctrine of equivalents
    - Using substantially the same means
    - In substantially the same way
    - To obtain substantially the same result as the patented device or process
- No defense of independent development
- No defense of lack of knowledge

# Patents

*Lack of knowledge*  
*No defense*

Copyrights

Creative  
Expressions

# Copyrights

***Creative Expressions***  
***Not Ideas***

# Copyrights

*Original work*  
*Fixed in a tangible medium*  
*From which the work can be perceived*

# Copyrights

*Virtually **anything***  
*But must have **some creativity***

# Copyrights

*Reproduce and copy*  
*Create derivative works*  
*Distribute*  
*Display*  
*Perform*

# Copyrights

## Creation and Protection

- Either registered or unregistered
- Unregistered = Immediate Existence
  - Copyright comes into being as soon as original work fixed in tangible medium
- Registration is generally not burdensome
- Benefits of registration
  - Statutory damages and attorneys' fees
  - *Prima facie* evidence of copyrightability
  - Shifts burden of proof
  - Federal court
- No notice required
  - Since March 1, 1989, notice (©) is no longer required (although it is desirable)

# Copyrights

## Infringement

- Two types of infringement
  - Actual copying (verbatim copies)
  - Access plus substantial similarity
- Any or all of the five exclusive rights can be infringed
- Independent creation
- Lack of access

# Copyrights

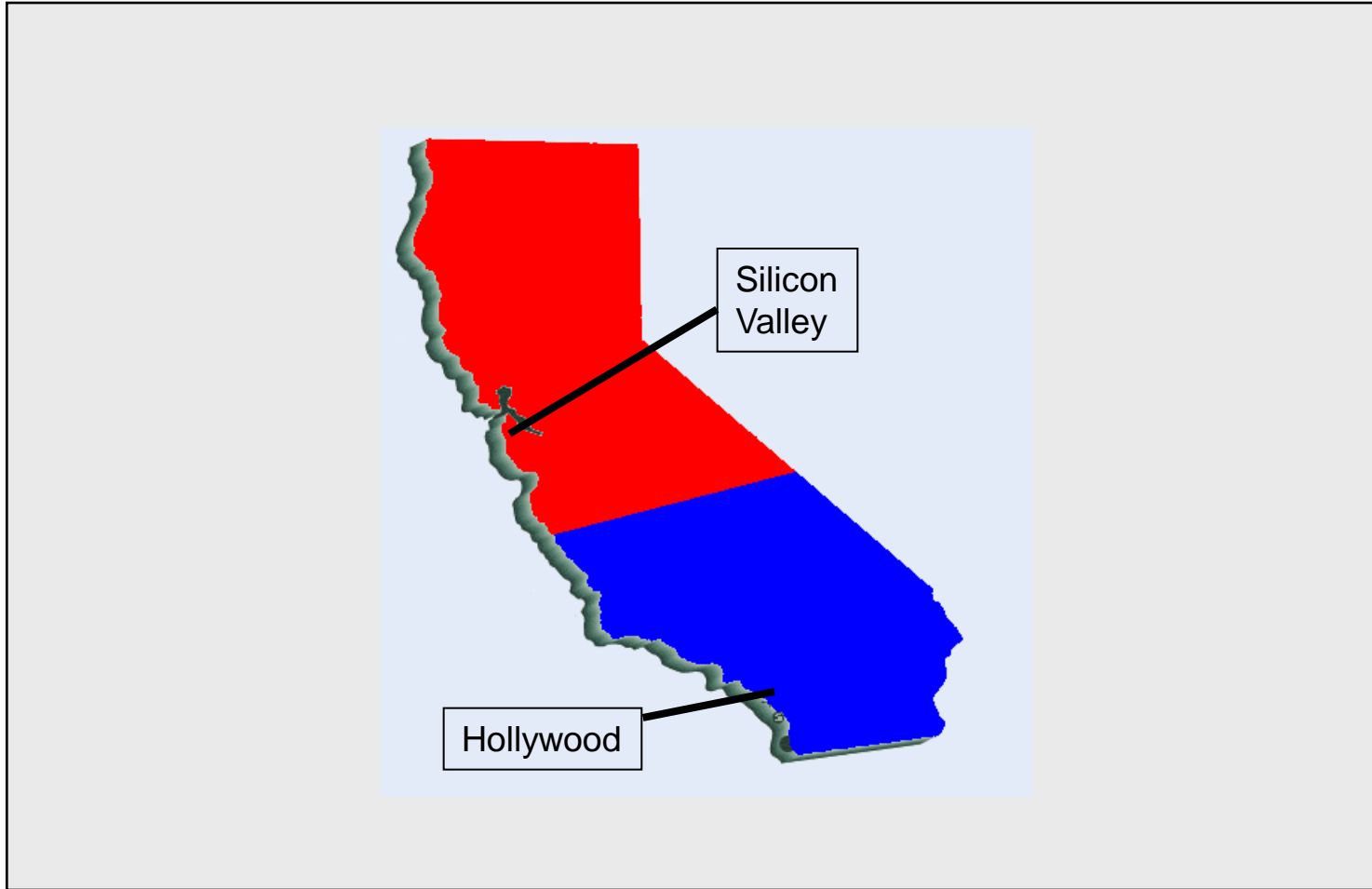
## **DMCA** **Digital Millennium Copyright Act**

# Copyrights

## DMCA

- Enacted largely in response to fears of the content industry
  - Digital format made copying easy and cheap
  - Existing copyright law provided ineffective protections against piracy of copyrighted works
- Creates several primary areas of focus
  - Legal protection against circumvention of technological protection measures
  - Safe harbors from copyright infringement for “online service providers”
  - Other areas (less prominent, but equally important)
- Highly controversial

# Copyrights



# Reverse-engineering Hacking

# Copyrights

## DMCA – Anti-Circumvention and Trafficking

- Focus on circumvention of technological measures used by a copyright owner to control access to their work
- Targets both the act circumventing access controls *and* trafficking in circumvention tools
- Neither requires that an infringing copy of the work have been made
- Technology-neutral
- Some limited exceptions (e.g., some forms of reverse engineering)

# Copyrights

**UGC**  
**User-Generated Content**

# Copyrights

## DMCA – Safe Harbor

- Provides safe harbors for Online Service Providers (OSPs) against direct and contributory liability for copyright infringement
- Primary safe harbor relates to user-posted materials
- Minimal requirements (and who says *nothing* is free. . .)
  - Designation of an agent for service under the DMCA
  - Compliance with the specific “notice and takedown” procedures in the DMCA

# Copyrights



# Public Domain

## True “Public Domain” is Very Limited

- Copyright attaches automatically
- Very few works not covered by copyright
- Pledging a work to the “public domain” is not sufficient
- Licensing options can get close
  - Open source
  - Creative Commons
- What should you do?

# Creative Commons



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**If I pay for it,  
do I own it?**

**If they don't pay for it,  
do I own it?**

**Not Necessarily!**

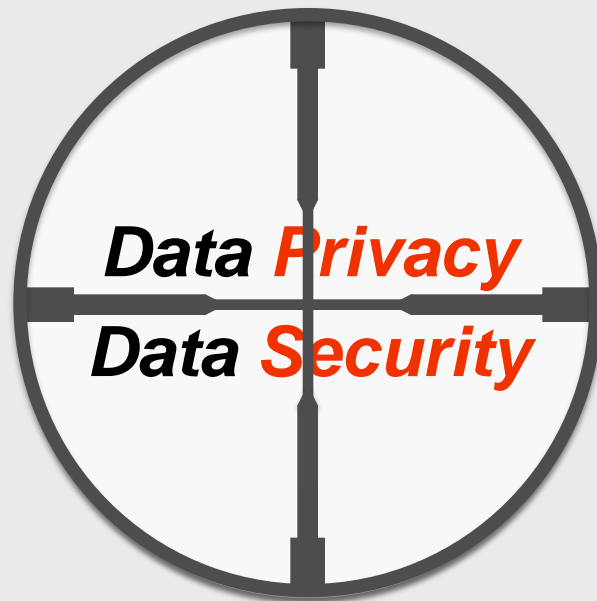
***What about “data?”***

**NDAs**  
**Terms of Use**  
**Privacy Policies**  
**License Agreements**

# Terms of Use and Privacy Policies

## Key Considerations

- Do they matter (nobody reads them anyway. . . )
- Use them (always)
- Simplicity and readability
- Implementation and enforceability
- Coordination with message to customers, investors, etc.
- Cut and paste can work, but be careful
- Not always WWGD (or WWSFDCCD)



# Privacy and Security

## Privacy and Security Drive Rights

- Increasing importance over the life of any contract entered today
- Evolving and unsettled regulatory environment
  - Some federal regulation
  - Multiple (new) state laws
  - Regulation in the EU and elsewhere outside of the US
- Particular issue in cloud computing and service-based delivery models
- Few consistent approaches (outside of regulated industries)
- Increasing trend to hold vendors accountable for privacy and security

Trademarks

Brand  
Identity

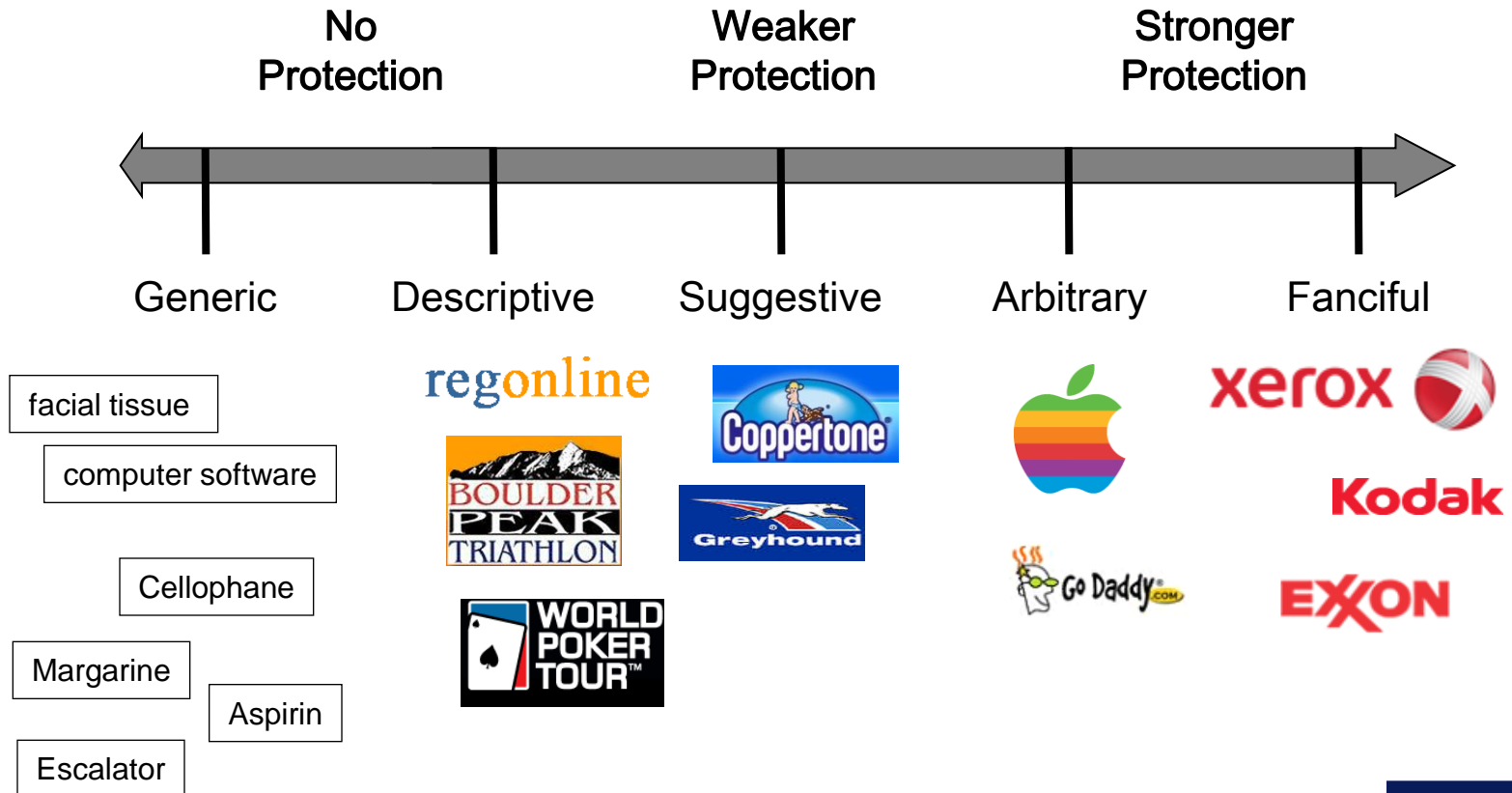
# Trademarks

## General Information

- Identify the source of origin of goods/services
- Either registered or unregistered form
- Unregistered = Use
- Registration requires filing
- Types of registrations
  - Trademarks – goods
  - Service marks – services
  - Collective marks
  - Certification marks
- Territorial protection
- First to use (U.S.) v. first to file
- Intent to Use (with later showing of actual use)
- Likelihood of confusion, not actual confusion

# Trademarks

## All Marks Are *Not* Created Equal



***IP is everywhere***

***Not “if” but  
how valuable to your business***

***Make each choice  
an informed and conscious choice***

# Thank You.

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