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If you really want to **secure** your company's distinctive market position, such as by capturing and strongly protecting its intellectual assets, acquiring valuable intellectual properties, and avoiding costly infringements, this Guide was written for you.

What you'll learn

- ▶ Which IP protections can be obtained instantly and inexpensively?
- ▶ When are trade secrets a better bet than patents?
- ▶ What are the benefits, costs, and risks of seeking a patent?
- ▶ What are the 7 steps to obtaining a valuable patent?
- ▶ In what foreign countries does patenting make the most sense?
- ▶ How can infringement liability be avoided, reduced, and resolved?
- ▶ What are the benefits, costs, and risks of registering trademarks and copyrights?

Intellectual Assets

What are intellectual assets?

As explained in my free Guide, "[*Empowering Intellectual Property – Step 1 – Understand*](#)", I define *intellectual assets* to be valuable, recorded, intangible assets. And I define *intangible assets* as non-monetary things of potential value that typically are thought of as not requiring physical storage space, such as a company's knowledge, skills, data, software, organizational structure, employee motivation and flexibility, R&D, legal and marketing activities, brands, reputation, goodwill, agreements, and relationships, etc. With that background, let's now take a closer look at intellectual assets and how and when to protect them as *intellectual property*.





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What are the major types of intellectual assets?

1. Know-how
2. Trade Secrets
3. Patents
4. Marks
5. Domain Names
6. Copyrights
7. Agreements

Below, I explain in detail the nature of each of these types of intellectual assets, when to pursue them, and how to protect them. Note that although I describe them separately, many types of intellectual assets can complement and supplement each other, bolstering the protection and value that would be provided by employing only a single type of intellectual asset.

Know-how and Trade Secrets

Know-how can include any information (including data and knowledge) that provides competitive advantage. Of any given company's intellectual assets, its know-how typically accounts for the vast majority of those assets, yet often goes unrecognized, unappreciated, and rather poorly protected.

Although not necessarily secret or unknown to others, know-how can be quite valuable. Here's an example. Even though its content is made available to the public, a rapidly-accessible database of current telephone numbers and addresses can enable telephone companies to extract \$0.50, \$0.99, or more from callers to "Information" or "411". As another example, in many patent licensing deals, it is the know-how, the detailed nuts-and-bolts knowledge of how to implement the patented subject matter, often in an optimized way, that can be the most valuable part of the deal.

Trade secrets, which are a particular form of know-how and the oldest form of intellectual property protection, are defined as information that is not generally known, provides





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economic value to its owner, and is kept secret via reasonable measures of security. Trade secrets can include, for example:

1. innovative concepts, whether patentable or not
2. formulas and manufacturing processes
3. material and equipment suppliers
4. cost and pricing data
5. customer lists and data
6. marketing information, plans, and methods
7. business strategies and tactics
8. financial statements and projections
9. accounting, trading, & brokerage processes
10. computer software code

Of particular interest to trade secret owners is not only positive know-how (how to accomplish something), but also negative know-how (what not to do and/or why not to do it), as such negative know-how can reflect the tremendous resources expended and/or the valuable knowledge gained through unsuccessful experiments and/or implementations.

For any given trade secret, which secrecy measures are considered reasonable often depends on the context, such as industry practices, the value of the secret, and the costs to secure it. Trade secret protection in the U.S. is governed primarily by state law. Generally, every state makes theft or unauthorized dissemination of a trade secret an unlawful act. Theft of trade secrets also can result in criminal penalties under the federal Economic Espionage Act and/or the Computer Fraud and Abuse Act.

There is no limitation on the length of time that a trade secret can be protected (e.g., the formula for Coca-Cola® allegedly has been kept secret for over 125 years). Note however that, absent an enforceable contract, you have no right to exclude others from using “proper means” to obtain what you consider to be your know-how or trade secret. Proper means





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can include independent development, reverse engineering, obtaining from a third party who has a right to provide, or obtaining from you without breaching a contractual or other duty, such as when you have failed to exert reasonable efforts to maintain secrecy. In contrast, improper means can involve breach of contract, espionage, theft, wiretapping, fraud, bribery, coercion, etc.

As mentioned above, know-how and trade secrets are often protected by formal written agreements (e.g., Non-Disclosure Agreements, Employment Agreements, etc.), employee training, physical security, computer security, and/or other well-managed access control practices.

Regardless of the precautions taken, public disclosure to even one person can destroy its secrecy if the information then becomes more generally known. For this reason, trade secrets too frequently lose their secrecy and therefore fall into the public domain. Consequently, many holders of such information often consider patent protection when feasible.

When they do, patenting is sometimes chosen instead of trade secrecy. At other times, both forms of protection are used, because patents can both supplement and complement trade secret protection. For example, once a patent application is filed, there is no obligation or ability to update it as implementations of the innovation are optimized. Therefore, such optimization details can be maintained as trade secrets. As another example, while developing and/or optimizing an innovation, considerable information about what approaches don't work can be gathered and maintained via trade secrecy.

Patents

What is a patent?

Generally, a patent is written document that:

- is granted by a government;
- describes, to a person having ordinary skill in the corresponding field of endeavor (“the art”), in an enabling manner and without requiring substantial experimentation, how to make and/or use one or more “inventions”; and





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- legally defines each “invention” via a “claim”.

Most governments grant patents to encourage detailed and empowering written descriptions of innovations to the public, thereby continually increasing the public’s knowledge base. Thus, the description section of most patents typically includes both text and drawings, and sometimes tables, equations, and/or charts. Videos are not permitted, photos are rarely permitted, and generally, the entire contents of the patent must be clearly reproducible on paper, such as via a copying machine or printer.

Once granted, a patent generally provides its owner with the right to exclude others from making, using, or selling anything that falls within the scope of any valid unexpired claim of that patent. Claims can endure for up to a specified period of time, which is typically 20 years from the filing date of the initial application that led to that patent. In the United States, a patent also provides its owner with the right to exclude others from offering for sale or importing the claimed subject matter.

Generally, except as noted, my communications focus on U.S. patents.

What are the classes and types of patents?

In the U.S., there are three basic classes of patent applications:

1. Utility: for functional innovations;
2. Design: for aesthetic (ornamental) innovations; and
3. Plant: for asexually reproduced plant variety innovations.

Because the Utility class is by far the largest (roughly 96% of all U.S. patent applications), except where noted, it is the primary focus of my communications.

The Utility class includes two types of applications:

- the provisional (a.k.a. “informal”) patent application; and
- the non-provisional (a.k.a. “regular” or “formal”) patent application.





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I discuss both provisionals and non-provisionals below.

What do utility patents protect?

The range of patentable subject matter is very wide. For United States utility patents, patentable subject matter can include nearly anything that involves or results from a human-caused transformation and that is reasonably categorized within any of these 4 broad classes:

1. "Process"
 - that is, a novel method of transforming nearly anything
 - the method can involve manufacturing, engineering, physics, chemistry, biology, business, information, or software
 - examples include: an innovative method for transforming iron oxide into pigments, or a new procedure for transforming raw accounting data into a required value on a tax return
2. "Article of Manufacture"
 - that is, a new good or product resulting from a transformation
 - examples include: an innovative device, such as a light bulb, mouse trap, or modem
3. "Composition of Matter"
 - that is, a novel material resulting from a transformation
 - examples include: a innovative chemical compound, drug, or gene sequence
4. "Machine"
 - that is, a new system or combination of devices for causing a transformation
 - examples include: an innovative assembly for making a new or old flashlight, biodiesel fuel, or nano-particle





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Within these 4 classes, the USPTO is required to grant/issue Utility Patents on non-provisional patent applications that adequately describe how to implement the useful, novel, non-obvious subject matter (“concepts”) that they properly claim.

A claimed concept is not considered sufficiently useful if it is a law of nature, a physical phenomenon, or too abstract (has no described implementations). Also, the patent application must identify a beneficial use for the claimed concept (other than acting as, for example, a boat anchor, paperweight, or research curiosity).

A patent application’s claimed concept is not novel (new) if it was:

- known or used by others in the U.S., or patented or described in a printed publication anywhere in the world, before its conception date by the inventors named in that patent application;
- patented or described in a printed publication anywhere in the world, or in public use or on sale in the U.S., more than one year before the filing date of that patent application;
- invented by someone other than the named inventors.

Generally, the novelty of a claimed concept is determined based on a comparison to what is “taught” (described and enabled) by the prior art, which is basically everything that was known (effectively, everything published) before the origination of the concept.

A claimed concept is considered legally obvious if, at the time it was conceived, a person having ordinary skill in the art (the general realm of that concept) would have known of art-recognized reasons to modify or combine relevant prior art references, considered as a whole, to arrive at the entirety of that claimed concept. Thus, although a layperson or engineer might exclaim that a claimed concept seems “obvious” (typically because, after reading the claim, they can understand how the concept works or can predict that it likely will work), U.S. patent law can be rather strict about what must be proven before that concept will be deemed “obvious” from a legal perspective.





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A Patentability Search often can help reveal whether a concept is novel (and sometimes whether it is non-obvious).

A patent application's description of a claimed concept is considered adequate if, as of the application's effective filing date, that description reasonably empowers a person having merely ordinary skill in the art to successfully (even if non-optimally or crudely) implement that concept without requiring substantial experimentation to do so, and in the best manner known to the innovators, and reasonably demonstrates that the innovators actually had that concept in mind.

What are the benefits of owning a patent?

Although in my free Guide, "[*Empowering Intellectual Property – Step 7 – Harness*](#)", I discuss a sampling of my 70+ tactics for harnessing the power of intellectual assets, including patents, I will highlight a few of the most patent-relevant tactics here.

Some of the most common tactics to exploit a patent include:

Distinguishing its innovators and owners, such as by:

- Publishing and promoting their technical prowess, innovativeness, productivity and skill;
- Creating an aura of innovativeness, intelligence, and skill;
- Attracting investors, customers, licensees, and business alliances;

Creating and enhancing revenue, such as by:

- Requiring competitors to pay licensing fees and royalties for the right to use or sell the patented innovation;
- Landing related deals;
- Carving out exclusivity in the marketplace;
- Enabling enhanced downstream pricing & terms (sole seller); and/or





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- Empowering enhanced upstream pricing & terms (sole buyer).

Discouraging competitors from entering or staying in a market, such as via:

- Injunctions
 - e.g., shutting down competitor’s research, production, distribution, marketing, website, etc.
 - e.g., seizing and destroying imported knock-offs
- Damages
 - at least a reasonable royalty
 - possibly the patent owner’s lost profits
 - possibly up to triple damages for willful infringement
- Costs & attorneys fees (in exceptional cases)

If desired, a patent sometimes can be legally enforced against potential and/or actual competitors to prevent the making, using, offering for sale, and/or selling in, and/or importing into, the country in which the patent is in force, anything that falls within the scope of one or more valid unexpired claims of that patent.

Such enforcement often can be achieved outside the judicial system, such as via a simple “Patent Pending” notice on the patent owner’s goods. At other times, enforcement can require the threat and/or filing of a lawsuit alleging infringement of the patent. If the parties are unable to settle the dispute early in the suit, the litigation costs can become very expensive and time-consuming for both parties. Thus, the vast majority of patent infringement suits settle relatively quickly.

For those who do not have the financial means for enforcement, patent assertion insurance sometimes can be purchased that will provide the financial muscle to litigate all the way to an enforceable judgment, even after being upheld on appeal, if necessary.





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Patent rights only arise upon issuance of a patent. That is, only the claims of an issued patent can be legally enforced against perceived infringers. I would be happy to discuss how I can assist with preparing for enforcing, and actually enforcing, your company's patent rights.

Often, a patent's owner is willing to allow competitors to make, use, and/or sell implementations of a patented concept, provided that the competitors pay the patent owner for the right to do so. A document that provides for the grant of such rights and the associated payments is called a "Licensing Agreement". Please feel free to contact me to discuss how I can help you develop a strategy for licensing patent applications and/or issued patents, negotiating the terms of a Licensing Agreement, and drafting the language of that agreement.

Sometimes, a published patent application and/or an issued patent can serve as an advertisement of the technical capabilities of the innovators and/or the patent owner. The audience for that message can be potential investors, customers, employees, competitors, and/or suppliers, etc. I would be delighted to discuss how I can help with enhancing that message and/or utilizing the patent document to obtain the desired and optimal impact on the intended audience.

How long does it take to obtain a patent?

The amount of time that elapses from the time a non-provisional patent application is filed, until that application issues as a utility patent, can vary considerably from one application to another. Factors that can effect this patent "pendency" include:

- the technology area of the claimed subject matter;
- the USPTO's backlog and staffing in that technology area;
- the quality of the patentability search;
- the breadth of the claimed subject matter;
- how close the prior art is to the claimed subject matter; and/or





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- the tenacity of the applicant to fight for all subject matter to which they are legally entitled versus capitulating to the examiner and potentially seeking broader claims via a follow-up application.

Although it has very wide variability, average pendency in the USPTO is now roughly 4 years. Of this average, approximately 2 to 3 years is spent waiting for examination. Actual substantive examination, with its volleying of Office Actions and responses seeking consensus on the scope and language of the claims, tends to require roughly 1 to 2 years on average. But again, there is wide variability associated with each of these averages, so check with me before assuming a pendency for any particular patent application. Note also that the USPTO does offer some mechanisms for attempting to expedite examination under limited circumstances, such as when infringement is underway.

What are the costs of seeking a patent?

From the perspective of most individuals, (utility) patents are relatively expensive to obtain.

For example, by the time the USPTO actually issues a U.S. patent, a typical patent applicant will have spent a total of at least \$15,000 (and possibly considerably more) on government fees and the costs of preparing, filing, and, although somewhat deferred, prosecuting (negotiating with the USPTO to convince them to issue a patent) the underlying U.S. non-provisional patent application.

In particular, my charges (attorney fees) to prepare a non-provisional patent application for filing typically fall in the range of \$5,000 to \$9,000. For good reasons, the cost sometimes can edge higher, particularly if, for example:

- the disclosure is excessively lengthy, confusing, or complex;
- the disclosure includes numerous drawings;
- multiple innovations are disclosed;
- the known prior art is particularly “close” to the innovation;
- an inordinate amount of re-work is required;





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- communications are particularly challenging; or
- detailed explanations of many attorney decisions are requested.

It should be apparent that most of the above-listed cost-increasing factors can be controlled by the client. In any event, once prepared, the costs to file a non-provisional patent application can vary depending on, for example, the jurisdictions in which that application is filed (e.g., U.S. only, PCT, foreign, etc.), its page count and/or claim count, and/or the number of people employed by the applicant, etc. Expect the filing fees for a U.S. non-provisional to be at least roughly \$500, and sometimes considerably more.

Although most prosecution costs do not begin to be incurred until roughly 1 to 3 years after a non-provisional patent application is filed, prosecuting a U.S. version of that application will typically cost from \$1,000 to \$6,000, and potentially much more if, for example, the scope of protection sought is relatively broad, the claimed subject matter is particularly valuable and/or complex, and/or the cited prior art is quite close to the desired subject matter, etc.

The filing and prosecution costs in countries foreign to the U.S. can be lower, but in several cases can be greater than those in the U.S., due to, for example, translation costs, annuities, and/or foreign counsel fees, etc.

Fortunately, a significant chunk of the prosecution costs can be deferred until long after the patent application is prepared and filed. Feel free to contact me to discuss ways to manage these and all patent-related costs.

What are the risks in seeking a patent?

No matter how much money any company spends, or what degree of professional assistance it obtains, the potential risks associated with the patenting process are substantial and should be carefully considered before and while pursuing that process.

Although most of these risks can be managed, it can be very difficult to predict with any reasonable accuracy, for example, how the USPTO will respond to a given patent application,





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how much time or effort will be needed to convince the USPTO to issue a patent, or what the scope of the claims of the issued patent will be.

And even if a patent examiner asserts an illegal or factually-unsupported position, there is no valid general guarantee that efforts to overcome that position will be successful, or that the desired patent will result.

Similarly, although most of these risks can be well-managed, there are no certainties as to, for example, how the market will react to an innovation, whether a company will be able to successfully license or enforce its patent, and/or whether the company will obtain a reasonable return on its investment in the patenting process.

These and other potential risks associated with the innovation and patenting processes are significant and should be taken into account before and while pursuing those processes.

Utilizing the services of a competent patent attorney often can help lessen some of these risks, but not all of these risks can be eliminated entirely.

Thus, it is important that your company recognizes, weighs, and maintains realistic expectations of the potential costs, potential benefits, and potential risks, throughout the innovation and patenting processes, and beyond.

Should a patent be sought?

The decision to seek a patent should be thoroughly and carefully considered. The patenting process can be expensive, lengthy, risky, and frustrating. Yet, the rewards can be substantial.

Generally, one should seek a patent if the expected risk-adjusted return justifies the investment in the patent. For some, merely having their name on a patent, or a patent number on their product, is incredibly valuable, particularly when marketing their capabilities to potential employees, investors, customers, etc.

For others, the opportunity to obtain royalties or other forms of licensing revenue from those who wish to manufacture, sell, and/or distribute the patented product or service is an ample justification to pursue patenting.





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For still others, the right to exclude competitors from making, using, importing, or selling the patented innovation can provide a sufficient reward for their investment in obtaining the patent.

Despite the beckoning of these potential benefits, I urge you to recognize that the patent process is moderately risky. For example, not all patent applications result in issued patents. Although the percentage varies from year-to-year, roughly 65-70% of original patent applications are eventually granted, while the remaining patent applications are abandoned, with their subject matter potentially dedicated to the public domain. Keep in mind that this percentage includes all original patent applications, including:

- applications for which no patentability search was performed, and thus fail to describe or claim a truly patentable innovation;
- applications filed by innovators who represent themselves before the USPTO, without the assistance of a competent patent attorney, and who eventually become frustrated with the patenting process and quit;
- applications directed toward subject matter that, while patentable, is no longer in sync with the company's chosen business directions; and
- applications filed by those who ultimately lack sufficient financial resources to prosecute the application to issuance.

Thus, when sufficient resources are properly applied, the likelihood of success with the patenting process can be greatly improved with respect to this 65-70% metric. Generally, the better the patentability search, the better the preparation of the patent application, and the better the prosecution of that application, the greater the odds are that the application will be issued, assuming the applicant remains committed to obtaining that patent. Similarly, the better the business plan, and the better the implementation of that plan, the greater the likelihood that a substantial return will be earned on the issued patent.

Applying my patent valuation techniques, which I am happy to describe in detail, I can work with you to determine potential returns, investments, and risks, along with the likely





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timings of each of those financial events, and then assist you with developing an appropriate business plan for obtaining the optimal return on your patent investment.

What are the 7 steps to obtaining a valuable patent?

The general process for obtaining a valuable patent is:

1. succinctly describe a problem that seems to be uniquely solved by your innovation;
2. self-perform a brief innovation search to “knock out” your innovation from further consideration if it appears to be publicly known already;
3. draft a thorough description of how to implement your innovation;
4. professionally investigate your described innovation for acceptable:
 - *patentability;*
 - *risks; and*
 - *value;*
5. draft a strong patent application that properly describes and claims your desired innovations, and, within the required time limits, prepare and submit a proper U.S. patent application, PCT patent application, and/or foreign patent application;
6. prosecute each patent application through examination to allowance and grant; and
7. receive, maintain, and exploit the granted patent.

I routinely help my clients with each of these steps of the patenting process, which is explained in detail below.

Keep in mind that, because I am authorized to practice law only in the United States, my general communications, such as this one, tend to focus on securing U.S. intellectual assets, such as via U.S. patents. Nevertheless, I am always happy to discuss how I can aid in obtaining strong patents (and other intellectual assets) in typically-sought foreign countries via my vast network of foreign patent professionals.





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What is an innovation search?

It often can be helpful for an innovator to self-perform a very brief and basic search to see if their innovation is already known to the public. This step can help avoid wasting time preparing a detailed description of an innovation that is not patentable.

Yet before embarking on an innovation search, it often can be helpful for the innovator to prepare a rough problem/solution statement to guide that search. Properly drafted, a problem/solution statement succinctly describes an innovative concept that (hopefully) uniquely solves a given problem.

Here is an example of a problem/solution statement:

For many of those who suffer from arthritis that substantially inhibits their use of both of their hands, the problem of adequately gripping a can opener is uniquely solved by sizing each handle of the can opener to have a minimum cross-sectional dimension of between roughly 1.0 and 1.5 inches.

Most innovators find that with a well-written problem/solution statement in hand, a strong innovation search can be performed much more easily. Many innovation searches rely on searchable databases of published United States Patent Applications and granted United States Patents, which are available from:

- The USPTO at patft.uspto.gov
- FreePatentsOnline at www.freepatentsonline.com

Both of these search engines allow you to enter relevant keywords (such as those used in the problem/solution statement), and find patent publications that utilize those keywords.

FreePatentsOnline also allows you to specify proximity searches, such as when one keyword must appear within a specified number of words of another. Check out its syntax instructions here: www.freepatentsonline.com/help/topic/Syntax-Examples.html

If preferred, I am happy to perform the innovation search, or a more extensive patentability search.





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What is a professional patentability search?

Before making a substantial investment in a patent application, it often can be helpful and very cost effective to obtain a professional patentability search. These searches attempt to identify prior publications that disclose most or all of the major features of the concept of interest, thereby showing that the concept is not new or inventive. The timely recognition of such relevant “prior art” can lead to a reasoned professional determination of unpatentability, thereby helping to avoid wasting money trying to patent what might be an unpatentable concept.

A basic version of a professional patentability search typically can be completed within 3 to 10 days, and usually costs between \$800 and \$1200.

What are the time limits for seeking a patent?

To protect rights in a valuable innovative concept, it is often worthwhile to file some form of patent application as soon as possible. Doing so will provide a filing date that defines what “prior art” can be used against the claims of any non-provisional patent application filed (now or later). Because one never knows when uncomfortably close prior art might emerge, time might be of the essence.

Although legislation is pending that might eliminate all or some portion of it, the U.S. currently allows a one year grace period from the non-confidential disclosure, offer for sale, or commercialization of a concept until a U.S. utility patent application describing that concept must be filed if a U.S. utility patent is desired.

But many countries bar patenting of a concept if there is any public disclosure (and sometimes any attempt at commercialization) of that concept before the filing of a patent application. The legislation currently pending in the U.S. appears to be heading in this direction.

Thus, if there is a desire to preserve the right to file a patent application outside the U.S. (and potentially within the U.S.), I recommend that you file at least a well-written provisional (and





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preferably a non-provisional) patent application before **any** non-confidential disclosure, offer for sale, or commercialization of the innovation occurs.

A U.S. non-provisional seeking to benefit from the submission of a U.S. provisional patent application must be filed within 12 months of the filing date of that provisional.

Once an initial non-provisional patent application is filed in most countries (including the U.S.), any desired foreign or international patent applications must be filed typically within no more than 1 year.

In summary, many companies prefer to file a provisional U.S. patent application as soon as possible after an innovation is identified, thereby obtaining a relatively early date for defining prior art and lowering the likelihood of violating a patent filing time limit. They then follow-up as soon as possible (and within 12 months) by filing a non-provisional patent application in each desired country/jurisdiction.

What is a provisional patent application?

Provisional (sometimes referred to as “informal”) U.S. patent applications expire 12 months after they are filed, typically contain no Innovator’s Declaration, formal drawings, or claims, and thus are not examined by a government patent examiner. Consequently, provisionals do not mature into patents. Instead, their basic purpose is to act as a time stamp for the subject matter they properly describe. Also, preparing and filing a provisional can defer some of the costs associated with preparing and filing a non-provisional (“formal”) U.S. patent application.

Taking the provisional application approach will create a 12 month window during which your company can:

- explore the patentability of its described innovation;
- improve upon that innovation;
- mark “Patent Pending” on any product embodying the innovation;
- determine the value of the innovation; and/or





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- raise funds to cover the cost of preparing and filing any desired non-provisional applications that rely on the description and filing date of the provisional.

Before the expiration of that 12 month window, your company hopefully will be in a good position to decide whether to prepare and file at least one non-provisional patent application that:

- was filed within 12 months of the filing of the provisional;
- properly references the provisional;
- describes how to at least crudely make and use the same innovation that was described in the provisional;
- describes how to make and use that innovation in the best way the innovators know;
- will be treated as having been filed on the date of the provisional for evaluating whether the innovation was novel as of that date;
- claims the described innovation; and
- will receive an examination of those claims and possibly their description.

Keep in mind that a provisional secures a filing date only for the innovation that it describes sufficiently to empower (“enable”) one of ordinary skill in the field of endeavor (the “art”) to at least minimally successfully implement (“practice”) the full scope of that innovation without substantial experimentation and in the best manner known at that time to the innovator(s). Thus, the description must empower an average, unimaginative, and non-expert practitioner in the art to at least crudely implement all of the innovation for which patent “protection” will be sought or “claimed”. Note that any claimed innovation in a non-provisional that was not sufficiently described in an earlier related provisional is not entitled to the filing date of that provisional, and to be claimed, must be described in the non-provisional in the best manner then known to the innovators. Thus, when there is any doubt about the quality of the description in the provisional, the description should be enhanced prior to filing the provisional, or in one or more promptly-filed follow-up provisionals.





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This correctly suggests that there can be a serious benefit in not waiting until an innovation is optimized before filing a provisional, particularly if any aspect of that optimization can be protected as a trade secret. That is, assume a barely operable implementation of an innovation is described in a provisional patent application that is filed today. Then, over the next month lots of valuable know-how is developed to optimize that implementation. Importantly, there is no requirement to include any of those valuable optimization details in any non-provisional that claims the benefit of the provisional. Instead, your company can keep that valuable know-how secret, thereby substantially enhancing the value of any license offered to the combination of the non-provisional patent application or any patents that result from it, and the know-how that can allow the licensee to optimally implement the your patented innovation.

The cost and time required to prepare a proper U.S. provisional patent application varies widely, depending primarily on the quality of the description provided by the innovator. Sometimes, only about 0.5 to 2 days of elapsed time and \$1000-\$3000 worth of my legal services are needed for me to review the written description, make needed adjustments to minimize legal risks, prepare the filing paperwork, and file the provisional application. In other situations, the time required (and cost) can be substantially greater, particularly if considerable effort must be expended to extract a sufficient description from the innovator. Fortunately, the client is generally in control of the availability of the innovator and the quality of the description, and thus the provisional's timing and preparation cost.

The government's filing fee for a U.S. provisional patent application is typically in the neighborhood of \$100 for a Small Entity, and about \$200 for a Large Entity.

What is a non-provisional patent application?

Non-provisional (sometimes referred to as "formal" or "regular") U.S. patent applications must include one or more "claims" that each legally define an "invention", typically have their claims examined by an "examiner" from the USPTO, and often result in the issuance of a patent by the USPTO. Like provisional patent applications, non-provisionals create the right to mark "Patent Pending" on anything that embodies any innovation that has been enablingly described in the application. If a provisional was filed, and a non-provisional is





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desired that claims subject matter that was properly described in that provisional, the non-provisional must be filed within 12 months of the filing date of the provisional.

Prepared properly, non-provisional patent applications require the dedication of a substantial amount of time for very careful claim drafting, thoughtful defining of phrases that appear in the claims, and skilled avoidance/reduction of legal risks. In addition, numerous additional preparation formalities must be addressed, including properly preparing drawings, fulfilling rigid document formatting requirements, and correctly referencing any priority documents.

As mentioned above, my charges (attorney fees) to prepare a non-provisional patent application for filing typically falls in the range of \$5,000 to \$9,000. For good reasons, the cost sometimes can edge higher, particularly if, for example:

- the disclosure is excessively lengthy, confusing, or complex;
- the disclosure includes numerous drawings;
- multiple innovations are disclosed;
- the known prior art is particularly “close” to the identified innovation;
- an inordinate amount of re-work is required;
- communications are particularly challenging; or
- detailed explanations of numerous attorney decisions are requested.

This preparation cost is essentially the same regardless of where a non-provisional patent application is filed (e.g., only in the U.S., as an international (PCT) application, and/or in various foreign patent offices, etc.). That is, once prepared, an application can be filed in any number of jurisdictions, and the cost for doing so is only the incremental filing cost associated with each jurisdiction (plus the costs of translations, if needed).

Just as with a provisional, the client can manage this preparation cost downward by providing a good quality textual description, a few drawings that are adequate to illustrate the concept, and an innovator who is reasonably available, understandable, and cooperative.





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Moreover, much of my work to prepare and file a provisional can be applied toward preparing the non-provisional, thereby lowering my charges for the non-provisional. The details of each specific situation will determine the extent of the cost reduction.

If a non-provisional is filed only in the U.S., the government's filing fee will be at least \$500 for a Small Entity (and \$1000 for a Large Entity - I'm happy to explain these descriptors), and more if a large number of claims or pages are included. If the application is filed as an international (or PCT) application, the government's filing fee will probably range from about \$3500 to about \$5000, depending primarily on the number of pages of the application. Thus, total preparation and filing costs for an application filed only as a PCT application can range from roughly \$8500 to \$14,000 or more, inclusive of the government's fees.

The amount of time I need to prepare non-provisional patent applications varies widely. Occasionally, I can prepare non-provisional patent application in less than 1 week, if the quality of the provided materials is exceptionally high, the innovator is readably available, and other pending matters can be delayed. More typically, I begin preparing each non-provisional application several months before its due date, thereby hopefully allowing adequate time for thorough consideration of the application's claims and descriptive material, recognizing the typically busy schedules of all involved.

What is a PCT patent application?

Every major industrialized country (but excluding Taiwan and a number of countries that are relatively unindustrialized and/or have relatively small economies, such as many Latin American, Middle Eastern, and African countries) is a signatory to the Patent Cooperation Treaty ("PCT"). That UN-sponsored treaty defines a process for filing, searching, and examining an "international" (or PCT) patent application.

A PCT application does not directly result in a patent. Instead, filing a PCT application typically causes a government-employed patent examiner to search for relevant prior art to the subject matter of the claims and to issue a written opinion of the patentability of those claims.





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The examiner's written search Guide and opinion typically are provided roughly 19 months from the "priority date" (a.k.a., "effective filing date", which is the earlier of the actual filing date of the PCT or the actual filing date of the earliest filed application from which the PCT application properly seeks to benefit, such as a provisional U.S. application filed no more than 12 months before the PCT's actual filing date).

The PCT application also is published at roughly 19 months from its priority date. If examination is requested, the examiner prepares an examination Guide, which sometimes is more detailed than the written opinion. Examination Guides are usually received between 19 and 28 months from the priority date.

If requested by the client, by 30 (or sometimes 31) months from the priority date, for each client-selected country, I arrange for a localized "National Stage" patent application that corresponds to the PCT application to be submitted by foreign counsel to the national patent office of that country.

The PCT search results, written opinion, and examiner's Guide (if any) can assist each corresponding national patent examiner with determining if a patent should and will be issued for their country. When particularly positive, those PCT documents sometimes can inspire a national patent examiner to not perform an additional search or a rigorous additional examination of the claims.

Thus, potential benefits of the PCT process include:

- deferring the decision/requirement to file a patent application in a PCT signatory country for up to 18 additional months from the PCT's priority date;
- obtaining a relatively quick search Guide and patentability opinion for the claims; and
- obtaining an examination Guide that sometimes will strongly influence at least some of the national patent examiners;





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- all for a relatively modest government fee (considering the potential fees for early filing in a number of foreign patent offices).

The costs of filing “national” patent applications varies considerably from country to country, and is impacted substantially by whether a certified translation of the priority or PCT application is required by a given country (in other words, whether the English language patent application must be professionally translated into that country’s official language).

In some situations, if no delay and less than 4 or 5 countries are desired, it can cost less to file directly in those countries and skip the PCT process. This issue should be discussed with me as early as possible so that cost estimates can be timely obtained.

In what foreign countries does patenting make the most sense?

Frequently, companies believe they must seek patent protection throughout the industrialized world. Yet doing so can be very expensive, costing hundreds of thousands of dollars. As a result of those phenomenal costs and the corresponding diminishing returns associated with many of those countries, taking the “patent everywhere” approach can actually undermine the return on the resulting family of patents.

Fortunately, sales of patent-protected implementations in large markets can often generate sufficient profits to, where legally allowed, subsidize competition-discouraging pricing of those implementations in many smaller, unpatented markets. So prior to deciding where to patent, your company should carefully analyze the geographical distribution of the expected global market for implementations of an innovation, and seek to estimate demand, pricing, and profitability in *each* country of interest.

Based on those estimates, I can help determine the risk-adjusted return on investment (“RARE”) value associated with obtaining patent protection in that country, using my advanced valuation techniques. Per the principles guiding those techniques, patent applications should be filed in only those countries having associated RARE values that exceed a reasonably-chosen threshold.





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Once the desired countries are determined, through my carefully managed network of skilled foreign patent professionals, I can assure that appropriate patent applications are correctly filed, prosecuted to issuance while mitigating prosecution-related risks, and properly maintained in each of those countries. I also can help your company with licensing or otherwise exploiting its foreign patent rights, such as by using some of the tactics outlined in my free Guide, *[“Empowering Intellectual Property – Step 7 – Harness”](#)*.

And if the time comes to enforce or litigate those foreign patents, based on my substantial experience with foreign patent litigation, I can help you identify, weigh, and select the best foreign counsel, strategies, and tactics for your particular needs. So just as with your U.S. patents and other IP rights, you can count on my expertise, techniques, and contacts to help you optimize your IP power around the globe.

How is a patent application typically prepared?

Working closely with the innovator(s), I often can relatively rapidly prepare and file a patent application that not only will meet with eventual approval by the relevant patent office, but also will result in an issued patent that is easily recognized as being highly likely to survive the rigors of litigation, and thus will be respected by competitors without the need to litigate.

To prepare such a strong non-provisional patent application, these are the general steps that I typically follow (usually with a well-written innovation disclosure and a solid patentability search Guide in hand and with appropriate innovator assistance and feedback):

1. clearly describe the problem apparently uniquely solved by each desired concept;
2. strategically draft claims to the desired concepts (the claims define the legal rights that can be enforced via the resulting patent);
3. thoughtfully generate definitions for each phrase used in the claims via my innovative, proprietary, and patent-pending claim definition software;
4. carefully prepare drawings and a textual description (the “specification”) that are adequate to enable a person having ordinary skill in the field of endeavor (the “art”) of the claimed subject matter to at least minimally successfully make and use the





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full scope of the claimed concepts without substantial experimentation and in the best manner currently known to all innovators;

5. properly present the claims, definitions, drawings, and textual description in a draft patent application that meets the legal requirements of the desired patent offices;
6. masterfully integrate all relevant innovator feedback regarding that application; and
7. correctly file the resulting patent application and required paperwork in the desired patent office(s).

With some of the most commonly-asked questions regarding non-provisional patent applications in mind, here are a few tips:

- A utility patent application can be filed in the U.S. without ever having a working prototype of the innovation.
- Generally, it is advantageous, although not necessarily required (yet), to file a patent application before disclosing the innovation non-confidentially or attempting to commercialize the innovation (including confidentially offering it for sale).
- Sometimes in the rush to file a patent application, innovators overlook that perhaps the biggest key to filing a powerful patent application, whether provisional or non-provisional, is to fully meet the legal requirements for describing their innovative concept.
- In particular, at a minimum, every U.S. patent application must describe to a person having ordinary skill in the art how to at least crudely make and use the full scope of the innovation without significant experimentation, and in the best manner known to the innovator(s) at the time of the application's filing. Because failing to completely fulfill this requirement seems to be at the root of many patent-related disappointments, and is under the nearly total control of the innovators/client, I really can't emphasize this point enough.





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How is a patent specification typically drafted?

Each patent application must include a “specification” that, in addition to including the claims, must “teach” a person having ordinary skill in the art how to as least crudely implement the claimed subject matter without undue experimentation, in the best manner known to the inventor(s).

The specification typically includes a textual Description portion, and frequently several drawing figures, that together should communicate how to make and how to use the claimed subject matter. This communication should be directed at someone who understands the basic concepts and jargon of the technology, but who is not necessarily an innovator or creative thinker.

What are the requirements for patent drawings?

For certain innovative concepts, clients can substantially reduce the cost to prepare a patent by providing good quality drawings showing the features I request. Generally, patent drawings should meet the following criteria for submission in a patent application:

- sized to fit 8.5 inch x 11 inch paper with 1” margins all around;
- presented as black ink on a white background (preferably laser printed or suitable for laser printing);
- highly legible;
- no more detailed than necessary to describe claimed innovation;
- lettering at least 1/8” in height (typically 12 point and above);
- no hidden lines, shading (hatching is OK), or extraneous marks;
- no dimensions required;
- not required to be to scale; and
- if provided electronically, in PDF, JPG, bit map, Word, or PowerPoint file format.





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What is patent prosecution?

Once a patent application is filed, it enters the “prosecution” stage, during which it is examined (usually after considerable delay) by a “patent examiner”, who often challenges the originally-filed claims using various “rejections”, some of which can be based on alleged prior art references.

Via my skilled argument, amendment, and/or negotiation with the examiner, the application likely will eventually emerge from prosecution as an issued patent.

This process can cost from \$0 (ideally and unrealistically) to \$10,000 (and sometimes much more). The wide variance in that cost is influenced by many factors, including the subject matter and quality of the application, the closeness of the prior art to the claimed concepts, and the particular patent office and examiner involved.

During prosecution, the application might be amended and/or re-filed (yet keep the benefit of its original filing date). When appropriate, a final decision of the examiner might be appealed. For a minority of applications, the applicant might decide to abandon further prosecution. There are numerous other contingencies possible, thereby making a detailed explanation of the prosecution stage rather long and tedious.

However, the general process for prosecuting a U.S. patent application is as follows:

1. The USPTO checks the filed application for compliance with numerous formalities, such as the submission of all Inventor’s Declarations. Once all formalities are met, the USPTO sends the application to an “Art Unit”, which assigns the application to one of its many examiners.
2. After a substantial delay (typically 9 to 30 months while the examiner addresses a mountain of earlier-filed applications, and currently averaging roughly 24 months across all art units), the assigned examiner performs a search for prior art publications (typically published patents and patent applications) that reasonably relate to the subject matter claimed in the filed application.





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3. Based on that prior art search, the examiner prepares and sends a first substantive communication, commonly called an “Office Action”. In that first Office Action, the examiner explains his or her initial viewpoint on the patentability of the claims, which unfortunately is typically negative, poorly explained, and weakly supported in fact and law.
4. But regardless of the quality of an examiner’s justifications for “rejecting” the claims, with input from the inventors (if necessary), I usually can overcome those rejections via written negotiations with the examiner. Via those negotiations, which are referred to as a “response” or “reply”, I attempt to persuade the examiner to reconsider his/her evidence and/or reasoning or I amend the claims to avoid prior art which is just too close to the claimed concepts. In any given written “response”, I might amend the specification, drawings, and/or claims, and/or present legal and/or technical arguments challenging the examiner’s position. Multiple volleys of Office Actions and Responses can be required to obtain “allowance” of the claims of the patent application. Of course, in addition to seeking allowance, I carefully scrutinize all of my written communication with the USPTO to avoid providing potential “ammunition” to later opponents of the resulting patent (whether licensees, infringers, or litigants).
5. The number of volleys required in these negotiations varies wildly from one application to another, but frequently ends with either the examiner deciding that a patent containing the claims should issue, or in the filing of an appeal of the examiner’s claim rejections. Typically, within about 24 months from the mailing of the first Office Action, and after several rounds of Office Actions and Responses, the examiner becomes comfortable with the claims and sends a “Notice of Allowance and Issue Fee(s) Due”.
6. Assuming that the allowed claims, reasons for allowance, and fulfillment of other requirements are acceptable, I pay the required Issue Fee. Quite frequently, a follow-up “continuation” patent application is filed that claims an innovation described in the earlier application, but not defined by the allowed claims. For instance, continuation applications often claim one or more described concepts





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more broadly than the initial application, and in some cases, more precisely, particularly when “aiming” the claim at a known infringer. In any event, every continuation application must be filed before its allowed “parent” application issues, and preferably no later than the date the Issue Fee is paid on that “parent” application.

7. Anywhere from 3 to 12 (or more) weeks after I pay the Issue Fee, the USPTO issues, publishes, and mails the corresponding United States Patent, complete with gold seal and red ribbon.

Note that all patent offices charge some form of fee or tax for keeping in force the patent application and/or the resulting patent. In most countries, this fee is referred to as an annuity (because it must be paid each year). In the U.S., this fee is referred to as a maintenance fee, and must be paid at roughly 4, 8, and 12 years after the patent is issued to keep the patent in force. Generally, if a required annuity and/or maintenance fee is not timely paid, the patent application or patent will be deemed abandoned, and only sometimes can be revived.

Finally, recall that provisional patent applications themselves are not prosecuted and thus, do not directly result in issued patents (or require you to pay issue fees or maintenance fees).

What is the typical role of a patent attorney?

Although U.S. patent attorneys are required to be state-licensed, USPTO-registered, and to hold at least an approved bachelor’s degree from an accredited university in a technically-oriented field (e.g., engineering, science, etc.), most patent attorneys work with a wide range of technical subject matters.

Education and/or experience might provide the patent attorney with a general understanding of the basic technical concepts and/or jargon of an innovation’s field, might allow the patent attorney to ask certain relevant technical questions, and/or might empower the patent attorney to understand and communicate certain meaningful technical aspects during the patenting process.





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In some cases, the patent attorney might hold a business degree and/or might have accumulated substantial business experience, and thus be qualified to provide limited business expertise.

But rather than serving as the primary technical or business expert for a client, the fundamental role of a U.S. patent attorney is to provide outstanding legal services. Thus, the role of the patent attorney typically does not include serving as the client's innovator, primary technical expert, or senior business consultant.

For example, because each true innovation is new and unique, only the actual innovators should be viewed as being the primary technical experts regarding that innovation.

As needed, additional technical experts, such as highly credentialed academics and/or deeply experienced industry experts, can be sought and engaged. Submitting the written opinion of such an expert often can be particularly helpful when a patent examiner is not correctly interpreting the claims, the specification, and/or the prior art.

Similarly, in general, only the principals of the business and those who have sufficient business expertise should be thought of as sufficiently qualified to provide thorough business guidance or direction for a particular enterprise. Only relatively rarely is such business expertise possessed by a patent attorney. Fortunately, I am one of the very rare patent attorneys who has substantial business education, experience, and expertise. Read about it under the "About" tab on my website.

Must a patent attorney be used to obtain a patent?

In other words, can you "patent it yourself"?

Well yes, you can. It is permissible for anyone to write, file, and prosecute a patent application for their innovation with no professional assistance.

But just as with performing your own brain surgery or flying your own space shuttle, rarely is it advisable to enter such difficult waters without relying on substantial help from a well-trained and deeply experienced professional.





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What makes patenting so difficult? For starters, there are the labyrinthine federal statutes and rules, along with thousands of court cases interpreting those laws, as well as a roughly 6 inch thick set of administrative procedures promulgated by the USPTO.

Moreover, the courts, and particularly the United States Court of Appeals for the Federal Circuit, which hears all patent appeals (and for nearly all practical purposes decides which litigated patents have teeth and which are toothless), have changed directions repeatedly over the last few years in their interpretation of the patent laws, to such an extreme degree that even many patent attorneys have trouble keeping up.

Finally, if they give you any attention at all, those who might otherwise be appropriate candidates to license your patent will lick their chops at the thought of taking advantage of you when they realize you obtained your patent without competent legal representation.

But if your budget leaves no other options, then at least read and heed *“Patent It Yourself”* by David Pressman, which its publisher, Nolo Press, declares to be the “world’s bestselling patent book”. And finally, good luck. You really will need lots of it.

What is an invention promoter?

“Invention Promoters”, are also sometimes known as “Invention Marketers”, or “Invention Brokers”. In addition to preparing and filing patent applications, typically having extremely narrow and valueless claims, Invention Promoters typically offer to:

- tell an innovator if an innovation is patentable;
- evaluate the innovation’s market “potential”;
- develop a product based on the innovation; and/or
- market the innovation and/or its implementations.

Too often, however, customers of numerous unscrupulous Invention Promoters have Guided paying substantial sums while receiving remarkably little service in exchange. These rogue Invention Promoters are generally known for high-pressure sales techniques, repeated misrepresentations, and even downright fraud.





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Because so many innovators had endured so many ugly experiences at the hands of Invention Promoters, in 1999 Congress enacted section 297 of the Patent Act (35 U.S. C. 1 et seq.), which provides substantial legal remedies for customers found by a court to have been injured by an Invention Promoter.

The USPTO provides warning signs and suggestions for dealing with Invention Promoters, and publishes complaints about Invention Promoters. See: http://www.uspto.gov/inventors/scam_prevention/index.jsp

The Federal Trade Commission also provides alerts and tips for avoiding problems with Invention Promoters. For a list of allegedly suspect Invention Promoters, see for example, www.InventorEd.org, which identifies invention promotion firms against which complaints have been filed with the FTC.

Typically, Invention Promoters are not Patent Attorneys, who must be both licensed to practice by the state in which their primary office is located and registered with the USPTO.

As an established and registered patent attorney, I am permitted to perform patentability searches, prepare and prosecute patent applications, draft agreements, and provide legal advice. Although my primary focus is not raising capital, developing products, marketing innovations, etc., I can provide basic guidance in these areas, and can help you identify reputable professionals and resources to assist with your most advanced needs.

How can the power of a patent be harnessed?

I describe a sampling of my 70+ tactics for harnessing the power of intellectual assets in my free Guide, "[Empowering Intellectual Property – Step 7 – Harness](#)". As a brief preview of that Guide, some of the most common tactics to utilize a patent include:

Distinguishing its inventors and owners, such as by:

- publishing and promoting their technical prowess, innovativeness, and skill;
- creating an aura of innovativeness, intelligence, and skill;
- attracting investors, customers, licensees, and alliances;





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Creating and enhancing revenue, such as by:

- requiring competitors to pay licensing fees and royalties for the right to use or sell the innovation;
- landing related deals;
- carving out exclusivity in the marketplace;
- enabling enhanced downstream pricing & terms (sole seller); and/or
- empowering enhanced upstream pricing & terms (sole buyer).

Discouraging competitors from entering or staying in a market, such as via obtaining:

- injunctions
 - e.g., shutting down competitor's research, production, marketing, website, etc.
 - e.g., seizing and destroying imported knock-offs
- damages
 - at least a reasonable royalty
 - possibly the patent owner's lost profits
 - possibly treble damages for willful infringement
- costs & attorneys fees (in exceptional cases)

Of course, patent rights only arise upon issuance of a patent. No patent means no patent rights. Thus, only an issued patent can be legally enforced against potential and/or actual competitors to prevent the making, using, offering for sale, and/or selling in, and/or importing into, the country in which the patent is in force, anything that falls within the scope of one or more valid unexpired claims of that patent.





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I would be happy to discuss how I can assist your company with preparing for and actually enforcing your patent rights. For example, enforcement often can be achieved inexpensively outside the judicial system, such as via providing a simple patent notice on the patent owner's goods that fall within the scope of one or more claims of an unexpired in-force patent.

On the other hand, occasionally enforcement can require the threat and/or filing of a lawsuit alleging infringement of the patent. If the parties are unable to settle their differences early in the suit, the litigation costs can become very expensive and time-consuming for both parties. Fortunately, the vast majority of patent infringement suits settle rather quickly.

Those who do not have the financial means to enforce a patent often can much more affordably purchase patent assertion insurance that will provide the financial muscle to litigate all the way to an enforceable judgment, even after being upheld on appeal, if necessary.

Often, the patent owner is willing to allow competitors to make, use, and/or sell the innovation, provided that the competitors pay the patent owner fairly for the right to do so. A document that provides for the grant of such rights and the associated payments is typically called a "Licensing Agreement". Please feel free to contact me to discuss how I can help you develop a strategy for licensing patent applications, issued patents, know-how, and even marks, negotiating the terms of a Licensing Agreement, and drafting the language of that Agreement.

Sometimes, a published patent application and/or an issued patent can serve as an advertisement of the technical capabilities of its inventors and/or owner. The audience for that message can be potential investors, customers, employees, competitors, and/or suppliers, etc. I would be delighted to discuss how I can help with enhancing that message and/or with utilizing the patent document to obtain the desired and optimal impact on the intended audience.





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Marks

What is a mark?

A mark is an identifier of the unique source of a good or service. What kind of identifier? Well, a mark can be nearly anything (e.g., one or more words, logos, and/or design details) that is used in commerce with the good or service and that indicates the single source of that good or service, and thereby distinguishing one source from another.

For example, any of the following can serve as marks:

- Logos, e.g., McDonald's golden arches, the CBS eye, Nike swoosh
- Words and alphanumeric combinations, e.g., APPLE, ABC, V-8
- Slogans, e.g., INTEL INSIDE, JUST DO IT, HAVE IT YOUR WAY
- Colors, e.g., Pink (for insulation), yellow and black for Cliff's Notes
- Musical notes, e.g., NBC's chimes, Law and Order theme music
- Cartoon characters, e.g., Mickey Mouse, Twitter's bird
- Product configuration, e.g., hour-glass shaped Coca-Cola bottle

Below is another example, which is a label for horseradish (of all things), that, while it also mentions the source explicitly, illustrates the use of at least 3 distinct marks at once:

- a logo (the kicking mule)
- a word mark (KICK)
- a slogan ("with a kick like a Missouri mule")

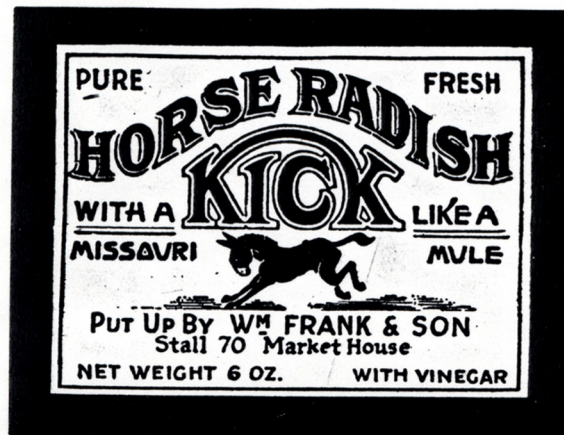




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Trademark law protects such distinctive source identifiers that are used on goods or services.

What are the categories of marks?

There are several categories of Marks, including:

- Trademarks, such as EXXON for gasoline products
- Service marks, such as HERTZ for car rental services
- Certification marks, such as UL for electrical product certification
- Collective marks, such as Boys and Girls Clubs of America

Although these categories are sometimes collectively referred to as “trademarks”, to avoid confusion, I refer to all of these categories generically as “marks”, and to marks associated with products only as “trademarks”.





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How can marks distinguish?

Identify the Source

Without even mentioning the actual name of a source, a mark can identify that source. For example, the “golden arches” can identify the location of a McDonald’s fast-food restaurant, without ever using that word.

Guarantee Quality

A mark can serve as a guarantee that your experience with the goods and/or services with which that mark is used will be of an expected quality. For example, consumers have grown to expect an outstanding user interface with Apple’s products, excellent customer services from Zappos.com, and hot french fries at McDonald’s.

Facilitate Advertising

By communicating certain values, a mark can function as an advertisement all by itself. Think Coach, Gucci, and Rolex. Or the Apple logo, Nike swoosh, or golden arches.

Reinforce Image

Once a good and/or service and its accompanying mark have been connected with certain values, the mark can then reinforce the associated image. This is particularly true for certain slogans, such as Nike’s “Just Do It”, which reinforces the image of a committed athlete, and the values of dedication, hard work, and accomplishment.

Align Aesthetics

Choosing a “look” for a product or its advertising, including its website, can allow consistency and alignment of many of its aesthetic aspects. For example, Apple has currently aligned the look of its products around a brushed aluminum material, color, and feel, those products having rectangular shapes with rounded corners, sharp edges, and minimalistic design flourishes. This consistency across products allows the source of an Apple product to be instantly recognized. The same can be said for Campbell’s soup can labels, the interior decor of Wendy’s and Taco Bell’s restaurants, and the shape of the Volkswagen Beetle.





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Extend Brand

Once a source is well established in one market, it can apply its brand to goods/services in related markets, thereby facilitating extension of that brand. For example, after Jello was well-established in the instant pudding category, it extended its brand to frozen desserts (Jello Pudding Pops). Similarly, Richard Branson has leveraged his Virgin brand into music, air travel, cell phones, and more, creating over 300 Virgin branded companies along the way.

Monetize Reputation

As a company builds goodwill with its customers, much of that goodwill is carried by the company's marks. If the company were to abruptly discontinue use of a mark, their customers could easily be lost to competitors. Similarly, if a company allowed its mark to be pirated by the makers of cheap knock-offs, the company could suffer a tremendous negative impact on its sales, profits, and reputation. Sometimes, customers are willing to pay a premium for products or services associated with a particular brand (e.g., Tiffany jewelry, Mercedes-Benz automobiles, a stay at the Waldorf Astoria). Thus, marks can be extremely valuable. For example, the Coca-Cola mark is estimated to be worth hundreds of billions of dollars, and is perhaps the most valuable piece of intellectual property in the world.

How can marks create revenue?

Recognition in the marketplace

A well-developed mark can allow customers to easily recognize and pick out your products, stores, website, etc. from amongst all the marketing "noise" generated by competitors. Whether you are a patron/customer/fan or not, think of how easy it is to spot a McDonald's restaurant while driving down the interstate, or how readily Duracell's "CopperTop" batteries can be found in a store.

Premium pricing

By careful branding, some companies have positioned their products as "luxury goods", such that consumers are willing to pay a substantial premium to own a product that





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carries that brand's mark. Similarly, certain services are associated with a premium image, and premium pricing. Examples include Rolex watches, Coach leather goods, and Ritz Carlton hotels.

Licensing fees and royalties

Many marks earn considerable revenues from licensing. Disney earns billions yearly from royalties earned by licensing its cartoon characters. Ferrari licenses its valuable logo for use on products ranging from boots to lighters to colognes to sunglasses. And of course, professional and college sports teams rake in amazing profits from licensing their marks for use on scores of products.

How can marks discourage piracy?

The first user of a mark within a given state can prohibit use of confusingly similar marks by others on related goods or services in that same state.

The owner of a federally registered mark can prohibit use of confusingly similar marks by others on related goods or services anywhere in the U.S.

Infringement of federally registered marks can result in award of:

- injunctions & seizures,
- compensatory damages,
- punitive damages, and/or
- attorneys fees.

How do rights in marks arise?

One can obtain rights in a mark in any of several ways:

- obtaining previously established rights in the mark by purchasing the mark and the goodwill it represents from the mark's rightful owner;





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- obtaining local, common law rights in the mark by being the first to continuously use the mark with particular goods or services within a particular state; or
- obtaining national, federal rights in the mark by being the first to continuously use the mark in association with particular goods and/or services in interstate commerce AND registering the mark for the appropriate class of goods and/or services with the USPTO.

Rights in a mark:

- are maintained by continuing to use the mark properly;
- potentially can last forever; but
- can be lost if, e.g., assigned improperly, used generically, or not enforced.

What are the types of marks?

A mark that is either:

- fanciful (Exxon for gasoline, Kodak for film, and Colgate for toothpaste);
- arbitrary (Apple for computers, Starkist for tuna, and Dutch Boy for paint); or
- suggestive (Greyhound for buses, Pepsi for soda, and Windex for glass cleaner)

typically is considered to be distinctive and thus is protected upon its first use in interstate commerce.

A descriptive mark (Apple for a fruit grower, and Puppy Chow for dog food) of a product or service requires established secondary meaning to gain distinctiveness.

A generic mark (Zipper for zippers, Aspirin for aspirin, Thermos for thermoses bottles, Cellophane for cellophane, and Cola for cola) is never protected, and a mark can become generic through common use as a noun or verb.





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Why is it so important to use my mark “properly”?

To create and maintain rights in a mark, it is vitally important to use the mark properly. As discussed above, marks are unique identifiers of the source of goods or services. Proper use means presenting one or more words or logos as a mark, as opposed to as a company name or as a generic term. Proper use also means presenting the mark prominently, consistently, and in a way that helps consumers distinguish your goods or services from those of a competitor.

Using your mark properly enables recognition of it as your brand, i.e., a unique identifier of your particular company. The USPTO or a court will look for proper use before accepting your claim of ownership of the mark. Proper use builds value, develops broader and stronger legal rights, and protects against the possibility that your mark will lose its distinctiveness and become a generic term, in which case you could lose your rights to the mark.

I have identified over 40 serious, common, and easily avoided vulnerabilities that could allow hostile licensees, crafty infringers, and blatant pirates to legally steal your marks. At least half of those vulnerabilities are related to how a mark is used, regardless of whether that mark is federally registered.

What does it cost to register a mark, and how long does it take?

I provide below some typical cost and timing ranges for various activities that arise in registering a mark. When considering these ranges, please keep in mind the following caveats:

- These ranges apply to U.S. marks and applications only.
- I am happy to tap my network of foreign IP professionals to obtain estimates for similar registration-related activities in the foreign countries of interest to you.
- Although registrability searches are generally recommended, only a very quick search, or no search at all, might be advised in certain situations.
- These ranges cover only the most common activities for a single mark and class.





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- These ranges do not include counseling, opinions, exceptional needs, or certain potential expenses, such as translation costs, specimen creation, express mail, travel, or additional government fees.
- Keep in mind that expenses, the amount of attorney time required, and provider availability can vary widely depending on the specifics of a particular situation, and thus total costs and durations could differ significantly from these ranges.
- Consequently, rather than *relying* on these figures, talk to me to obtain cost and timing ranges that reflect your particular situation.

Registrability Search and Opinion:

- Cost: \$0 - \$1500+
- Timing: within a few hours to 21 days

Application Preparation:

- Cost: \$350 - \$800+
- Timing: within a few hours to 7 days

USPTO Filing Fees:

- Cost: \$275 - \$350+

Application Prosecution:

- Cost: \$400 - \$1500+
- Timing: within 9 to 24+ months, averaging roughly 12 months if no objection or opposition is raised

USPTO Registration Fees:





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- Cost: \$100 - \$500+

Total:

- Cost: \$1125 - \$4650+
- Timing: 9 to 24+ months

What marks are registrable?

To determine if a mark is federally registrable, I first typically consider whether the mark is improperly descriptive of the goods and/or services with which it is (or will be) used.

If not improperly descriptive, I usually perform a registrability search, or sometimes obtain it from a professional mark searcher. I evaluate the results of the registrability search to determine whether the mark is distinctive and unique enough to likely qualify for registration.

To be “unique enough”, use of the mark must not create a “likelihood of confusion” with another’s mark regarding the origin of the goods/services. If it does, I might recommend any of several approaches, including purchasing the other mark, obtaining a consent agreement from the owner of the other mark, and/or adopting a different mark to avoid the potential for an infringement challenge or suit.

How are marks federally registered?

Once a mark appears to be registrable, there are two common processes to federally registering that mark:

- a. Via an “Intent to Use” application, which involves:
 1. determining the required filing information;
 2. filing the application;
 3. avoiding rejection by the examiner;
 4. surviving the opposition phase;





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5. receiving a notice of allowance;
 6. providing satisfactory evidence of use; and
 7. obtaining federal registration.
- b. Via a “Use-based” application, which involves:
1. gathering satisfactory evidence of use;
 2. determining the required filing information;
 3. filing the application AND evidence of use;
 4. avoiding rejection by the examiner;
 5. surviving the opposition phase;
 6. receiving a notice of allowance; and
 7. obtaining federal registration.

Of the two, the first method is frequently preferred, because it typically provides more flexibility in providing proper evidence of use of the mark in interstate commerce involving the associated good and/or service.

What are “specimens of use”?

Before it will issue a Trademark or Service Mark registration, the USPTO requires submission of one or more “specimens of use” as evidence that the applicant is actually “using” the relevant mark “in (interstate) commerce.” Based on the submitted specimen(s) of use, the examiner will verify that the mark is actually being used with the genuine sale of the specific goods or services listed in the application.

The USPTO has very particular rules governing what it will accept as a specimen. Submission of a specimen that does not meet USPTO requirements can result in abandonment of the application.





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Thus, I urge clients to consult with me before gathering specimens of actual packaging, labeling, advertising, etc., for submission to the USPTO.

What happens after a mark is registered?

Other than policing your mark and using it properly (which is explained below), the most important steps following registration involve periodically telling the USPTO that your company is still using its mark.

What makes this task somewhat challenging is its timing. You must inform the USPTO, by filing certain required “Declarations”, at each of roughly 5, 10, 20, 30, 40, etc. years after registering your mark.

The long duration between these mandatory Declaration submissions can be problematic for many companies, if merely because employees come and go, are promoted to new duties, forget the requirements, etc.

Fortunately, I can take care of keeping track of the due dates, give you a heads up well beforehand, and provide the necessary forms and explanations to make the task easy.

What are some pitfalls involving marks, and how are they avoided?

Selecting an improper mark

- avoid descriptive marks
- avoid misdescriptive marks

Losing full scope of rights

- apply for federal registration of your valuable marks
- register for sufficient classes and descriptions
- be the first to use your marks in desired foreign countries





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- be the first to obtain rights to your marks in desired foreign countries

Obtaining an invalid registration

- describe only goods/services you have actually brought to market

Killing your mark

- use your marks consistently, prominently, and properly in your advertising materials
- use your marks as adjectives (e.g., KLEENEX facial tissue) only
- publish “guidelines” to help outsiders properly use your marks
- don’t allow improper or unauthorized use of your marks
- don’t allow your marks to be used generically
- enforce your marks

Failing to notify potential infringers

- use TM, SM, and ® notices properly
- use the ® symbol for all your registered marks, but only for those goods and/or services actually covered by the registration(s)
- use the TM or SM symbol for all your unregistered marks

Failing to exploit your mark

- grow the goodwill associated with your mark
- extend and build your brands

Infringing mark of another

- perform a clearance search





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- federally register your mark

Copyrights

What is a copyright?

A copyright arises, by federal statute, at the moment an original work of authorship is fixed in a tangible medium of expression.

A copyright provides exclusive rights to control who can:

- reproduce the work;
- prepare derivative works;
- distribute copies to the public by sale, rental, lease, or lending;
- perform the work publicly; and
- display the work publicly.

These rights are divisible, and each one can be allocated for different uses, territories, times, mediums, etc.

More information is available from the U.S. Copyright Office at www.copyright.gov.

What is protectable via copyright?

Copyrightable works of authorship can include:

- literary works, such as books, training manuals, software, print ads;
- musical works, such as songs, ad jingles;
- pictorial and graphic works, such as photos, website content, graphical interfaces; and/or
- audiovisual works, such as movies, videos, television ads.





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Pictorial, graphic, and sculptural works can include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans.

Copyright law only protects fixed and original works of authorship.

A work can be fixed in a number of ways, including being painted on a canvas, written on a piece of paper, stored on a hard drive, or recorded on a tape, video cassette, CD, or DVD.

Originality requires some amount of creativity from an original author.

Copyright protection is generally available for the life of the author plus 70 years for individuals, or the shorter of 95 years from the date of publication or 120 years from creation for corporations or works for hire.

Copyright protection is not available for de minimis (inconsequential) contributions (words, titles, short phrases, and ornamentation), facts (including research and history), forms (format, layout, and style), color, typeface, photographic subjects, athletic events, scenes a faire (common themes and plots), ideas, procedures, processes, systems, methods of operation, concepts, principles, discoveries, and government works.

What is a copyright notice?

A copyright notice should be applied to a work to put others on legal notice that the work is subject to copyright.

A proper copyright notice includes the copyright symbol © or the word “copyright”, the year of first publication, and the legal owner (e.g., © 2007 Joe Smith or Copyright 2011 Jane Jones).

Copyright notice generally should be provided regardless of whether the copyright has been registered.

Copyrights can be lost if a work is published without proper notice.





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What are some benefits of registering a copyright?

Proper registration of a copyright can provide many benefits, including:

- a public record of the copyrighted work and its registration;
- proof of ownership and validity (when a certificate of registration issues within five years of first publication, the certificate becomes evidence of validity and ownership);
- ability to record registration with US Customs to prevent importation of infringing goods;
- the right to file an infringement suit against a substantially similar work; and
- a potential award of statutory damages & attorneys fees for infringement.

Secondary benefits of registering the copyright can include:

- notification of rights;
- deterrent of potential pirates/infringers;
- recognition in a crowded market (e.g., John Grisham, Stephen King);
- premium pricing (e.g., Apple);
- enhanced ability to exploit the work via licensing (e.g., Pixar); and
- improved opportunities to build a protectable “product” identity, e.g.:
 - the Bond films
 - the Disney characters
 - The Beatles’ lyrics and tunes
 - Thomas Kincaid’s impressionist paintings





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What is the process for registering a copyright?

Generally, the steps for preparing a copyright application are:

1. Identify the copyrightable work;
2. Obtain a copy of the work for submission with the application;
3. Complete the appropriate copyright application form;
4. File the application with the required fee.
5. Wait about 6 to 26 months to receive notice that the work has been registered.

What does it cost to register a copyright, and how long does it take?

I provide below some typical cost and timing ranges for various activities that arise in registering a copyright. When considering these ranges, please keep in mind the following caveats:

- The ranges apply to U.S. works and applications only.
- I am happy to tap my network of foreign IP professionals to obtain estimates for similar registration-related activities in the foreign countries of interest to you.
- These ranges cover only the most common activities for a single work and form.
- These ranges do not include counseling, opinions, exceptional needs, or certain potential expenses, such as translation costs, express mail, travel, or additional government fees.
- Keep in mind that expenses, the amount of attorney time required, and provider availability can vary widely depending on the specifics of a particular situation, and thus total costs and durations could differ significantly from these ranges.
- Consequently, rather than *relying* on these figures, please talk to me to obtain cost and timing ranges that reflect your particular situation.





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Application Preparation:

- Cost: \$250 - \$600+
- Timing: 1 hour to 14 days

Copyright Office Fees:

- Cost: \$35 - \$65+

Total:

- Cost: \$285 - \$665+
- Timing: 1 hour to 14 days

Copyright Office processing:

- Timing: within 6 months for electronically-filed applications
- Timing: within 26 months for paper-filed applications

Compared to protecting other intellectual assets, registering a copyright is relatively easy. Often, you can successfully register your copyright without any help at all from an attorney.

More information is available from The U.S. Copyright Office at www.copyright.gov/help/faq/.

What are some copyright pitfalls?

Registration: necessary for instituting infringement suits, and for obtaining statutory damages and attorneys fees

Delays in registering a work may make obtaining statutory damages and attorney fees impossible (it's best to register within 90 days of first publication).

Term: copyrights have a long duration, e.g., life of author plus 70 years.





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Assignment: requires a written agreement.

Ownership: paying for a material object (such as a painting, book, CD, etc.) does not necessarily mean the copyright to the work embodied by that object has been purchased. That is, very generally, even if under contract to create a work for your company, a written assignment of copyright typically is needed from any independent contractor, and from any employee working outside the scope of their employment, if the copyright is to be transferred from the creator to your company.

Agreements

The variety of potential business agreements is simply astounding. Nevertheless, certain business scenarios appear with such frequency that tools and rules of thumb have emerged for smoothing the way and avoiding many potential pitfalls. I have substantial experience dealing with a great many business scenarios.

Perhaps the most common scenario is the need to disclose a trade secret, know-how, or other confidential information to someone outside the control of your company. In this situation, a Confidentiality or Non-Disclosure Agreement (NDA) is frequently utilized. Key to many such agreements can be a clear identification of what must be kept secret, and what uses are allowable for the secret information.

Closely related is the Employment Agreement (and its cousin, the Consulting Agreement). These agreements typically include confidentiality provisions, as well as requirements for assignment of intellectual property rights, assistance with obtaining and protecting intellectual property rights, and possibly, a non-compete and/or non-solicitation clause.

Assignment clauses can require that employees, contractors, and/or business partners assign their intellectual property rights to your company. Yet difficulties can emerge when, for example, the resulting assignment documents are drafted incorrectly, sought at the wrong time, or recorded improperly.





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When entities agree to work together to research and/or develop technologies, products, and/or services, they typically enter a Joint Development Agreement, which usually spells-out how jointly created innovations, discoveries, and knowledge will be owned and handled.

Once an entity obtains intellectual property rights, it can retain those rights, yet authorize others to exploit some of them, via a Licensing Agreement. The terms of such agreements can vary substantially depending on, for example, business needs, the type of intellectual property involved, the specific rights licensed, and/or the industry.

Disputes can arise, for example, in the process of seeking to license intellectual property rights, or after such a license is in place. Yet careful license agreement drafting, and reliance on professional dispute resolution techniques, can avoid litigation while preserving the business relationship and maximizing the value of the intellectual property rights.

Recap

Over the preceding sections, we have explored the importance of not only innovating, and the intellectual assets that result, but also why owning property rights to your company's intellectual assets can be so critical to achieving sustained profitability. We also have reviewed best practices for taking stock of your company's existing intellectual assets, discovered how best to generate market-needed innovations, and learned how to strongly secure your company's intellectual assets. In my next free Guide, "[Empowering Intellectual Property - Step 6 - Enhance](#)", I explain how to enhance your company's intellectual assets and properties, thereby optimizing their value and power, and ripening them for harvest.

Free Tips

Like my free Guides? Then [click this link](#) to sign-up to periodically receive, via e-mail, my free Tips for empowering your intellectual property.

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