



COMPETITIVE ADVANTAGES FROM INTELLECTUAL PROPERTY

Michael Fedrick

© Sheldon Mak Rose & Anderson, 2008

Pasadena, California 91103

Tel: (626) 796-4000

E-mail: mfedrick@usip.com

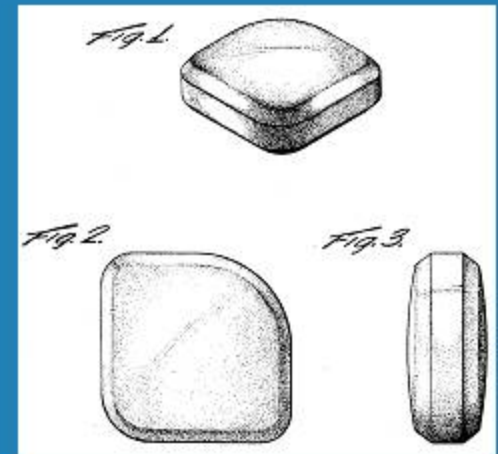
TYPES OF INTELLECTUAL PROPERTY

- **Patents**

- Utility: useful features of products, methods
- Design: ornamental features of products

- **Trade Secrets**

- Valuable information, not generally known



TYPES OF INTELLECTUAL PROPERTY II

- ***Copyrights***

- Creative content, e.g. software, databases, photographs, audiovisual works

- ***Trademarks***

- Branding and trade dress



COMPETITIVE ADVANTAGES FROM IP

- ***Exclusivity for a feature of a product/service***
- ***Higher margin due to such exclusivity***
- ***Increases company valuation***
 - ***Raising money from investors***
 - ***Sale of the company***

IP STRATEGY: WHAT TO PROTECT

- ***Identify the value drivers for your business***
- ***Identify the types of IP that can protect the value drivers***
- ***Weigh the benefits of IP protection vs. the costs***

IP STRATEGY: WHEN & WHERE

- ***IP should be registered as early as possible***
 - ***Trademarks and patents are granted on a first come, first served basis outside the U.S.***
- ***Make sure your U.S. rights are secured***
- ***Protect your important markets outside the U.S.***
 - ***Primary markets vs. expansion markets***

GLOBAL IP STRATEGY

- ***IP rights are granted on a country-by-country basis***
- ***There is no “international patent” or “international trademark”***
- ***International treaties create a relatively level playing field***
- ***Enforcement varies***

SECURING IP RIGHTS

- ***Patents***

- ***Apply for protection before a public use, disclosure, or sale of the invention (US has a 1-year grace period)***
- ***Apply internationally within 1 year***

- ***Trademarks***

- ***Use of a mark in commerce establishes rights in the US***
- ***Registration is required ex-US***

SECURING IP RIGHTS II

- ***Copyrights***
 - ***Automatically owned by the creator of a work***
 - ***Must be registered to enforce***
- ***Trade Secrets***
 - ***Maintained by taking measures to guard the secrecy of the information***
 - ***Physical security (e.g., locks)***
 - ***Nondisclosure Agreements***

LOSING IP RIGHTS

- ***Ownership of patents, copyrights***
 - ***Employment agreements should assign employee rights***
 - ***Third party contracts should assign rights when appropriate***
 - ***Copyright assignments must be in writing***
- ***Trademarks***
 - ***Failure to register a mark***
 - ***Failure to police a registered mark***

CONCLUSION

- ***IP rights can confer a competitive advantage***
- ***IP strategy should be global***
- ***IP rights need to be secured***