IN-HOUSE IP PROBLEM SOLVER



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The purpose of this guide is to provide answers to common intellectual property (IP) questions. No guide can take into account all of the complex factual situations that can arise, and this guide highlights important considerations and deadlines. This guide is not intended as legal advice, and persons reading it should not act on it without consulting legal counsel, and receipt of this guide does not create an attorney-client relationship with Harness IP.

INVENTIONS AND PATENTS

NEW INVENTIONS

What to ask:

- Has the invention been disclosed outside the Company? If so, when?
- Is a disclosure outside the Company planned?
- Who participated in the development of the invention, and are they all employees of the Company?
- Will third parties be needed to complete the invention?
- Is more development needed?
- Would competitors be able to easily duplicate invention?
- Is the invention important to the Company? Will it cause customers to select the Company's invention over other products? Will it allow the Company to charge a premium for its products? Will competitors want to copy the invention?

What to consider:

- A patent application should be filed before any public disclosure or sale of the invention to preserve ability to obtain U.S. and foreign patents.
- The Company does not automatically own the inventions of its employees unless they were hired to invent them (which may be hard to prove) or there is a written agreement with the employee.
- Third party contributions to the invention complicate ownership (since each co-owner can do what it wants without the consent of the other co-owners) and enforcement (since all owners must participate in any enforcement).

What to advise:

- Do not disclose the invention outside the Company until an application be can filed.
- If disclosure cannot be avoided, use a confidentiality agreement and file as soon as possible.
- Keep records of the development of the invention and of all pre-filing disclosures.

What to do:

- Calendar the date of the first public disclosure.
- Investigate the patentability of the invention based on the inventor's knowledge of the prior art and through a prior art search.
- Get a patent application on file as soon as possible, and preferably before any public disclosure.
- Get a signed assignment from each inventor.



Do not disclose the invention outside the Company until an application be can filed.

GOING TO A TRADE SHOW

What to ask:

- Is the Company introducing any new products?
- Have the new products and brands been screened for infringement risk?
- Have the patent/trademark/copyright rights in the new products and brands been secured?
- Does the Company anticipate the introduction of any infringing products by competitors at the trade show?

What to consider:

- Putting the invention on sale before filing can jeopardize patent rights.
- Introducing products and brands without proper vetting can provoke cease and desist letters.



Try to keep a log of all visitors to the Company's booth and collect business cards if possible.

• Competitors use trade shows to gather competitive intelligence on the Company's products.

What to advise:

- Try to keep a log of all visitors to the Company's booth and collect business cards if possible.
- Get and keep any directory of exhibitors and maps of the exhibit hall.
- If there is competitor information, obtain it by proper channels don't misrepresent yourself and don't take anything surreptitiously.

- Review materials that will be distributed at the trade show.
- Follow up on the efforts to protect any new products that are introduced and any assertions of infringements.

SUGGESTIONS AND FEEDBACK

What to ask:

- Who provided the suggestion or feedback?
- Under what circumstance was the suggestion or feedback provided?

What to consider:

- The submitter may believe he or she has rights in the suggestions or feedback.
- When a specific, concrete idea is submitted in confidence by someone with an expectation of compensation, they may have a claim for use of the idea.

What to advise:

- Negotiate with the submitter for a release.
- Be careful of implementing third party suggestions and feedback.
- Consider whether the submitter may have rights in the suggestion or feedback.

- Get a release for all but the most general and obvious suggestions or feedback.
- Include a release (or even better an assignment) on any forms soliciting feedback or suggestions.
- Get an assignment of the feedback or suggestions that may be incorporated into a Company product.

A CHARGE OF INFRINGEMENT

What to ask:

- What product is affected? Does the Company have a history with the competitor?
- Did the Company have prior knowledge of the rights asserted?
- Does the Company have any opinions of counsel relating to validity or infringement of the asserted rights? Relating to the product?
- Do we have technical drawings of the accused product?

What to consider:

- Continued infringement without justification after receipt of notice of infringement may be regarded as willful infringement, possibly subjecting the Company to increased damages and attorneys' fees.
- Public accusations of infringement may negatively affect the Company's standing with its customer base. Mishandling the Company's response could result in even worse repercussions.
- It may be possible to off-load responsibility of the infringing action to a supplier.

What to advise:

- Avoid internal communications regarding the charge of infringement, and keep both in-house and outside counsel aware of any updates.
- Gather information about the Company that is asserting the rights and the rights that are being asserted.
- Gather information about the accused conduct.

- Implement a litigation hold to stop destruction of relevant documents.
- Contact outside counsel to begin investigating the merits of the claim and to obtain an opinion of counsel.
- Obtain sales information of the accused products to gauge exposure.
- Act quickly for investigation to avoid a claim for willful infringements.

RECEIPT OF AN UNSOLICITED IDEA

What to ask:

Does the Company have a prior relationship with the submitter?

What to consider:

 Defending claims of idea misappropriation can be very difficult. This is particularly true if the submission relates to something the Company is or has been working on.

What to advise:

- Do not review the submission.
- Secure the submission where it is inaccessible to employees.
- Advise the submitter that the information cannot be considered on a confidential basis.
- Request that the submitter agree to a non-confidential review in writing.

What to do:

- If the submitter agrees to non-confidential review, provide a response (even if it is negative).
- If the submission relates to something that the Company is already working on, disclose that fact promptly. Delay makes the Company look guilty.



If the submission relates to something that the Company is already working on, disclose that fact promptly.

ISSUANCE OF A PATENT

What to ask:

- What does the patent cover?
- Is there additional subject matter that should be covered by a continuation or divisional application?
- Is there any reason that the patent should be reissued?
- Has the competition copied the invention?

What to consider:

- Keeping an application pending gives flexibility to "steer" coverage toward subsequently developed competitive products.
- Products must be marked with the patent number to preserve damage claims.



Begin marking the product with the patent number immediately.

• Virtual marking with a URL linked to a website can make marking fast and easy.

What to advise:

- File a continuation application if the technology is significant and likely to be adopted by competitors.
- Begin marking the product with the patent number immediately.

- Review the patent for errors because corrections for all but the most obvious typos are not effective until they are made.
- Make sure utility patent maintenance fees and two year deadline for filing broadening reissues are calendared.
- Check that patent marking has been started.

COPY A COMPETITOR'S PRODUCT

What to ask:

- What product is the Company competing with?
- Are there any proprietary markings on the product?
- Are there any other similar products on the market?
- Was our access to the product proper?

What to consider:

- Patent numbers are usually marked on products, but sometimes companies forget and sometimes the patent simply hasn't issued yet.
- The product may be covered by design patent or trade dress protections.

What to advise:

- Make sure that all records of the development process reflect fair and honest conduct.
- Do not characterize the Company's conduct as dishonest, improper or shady in any way.
- Disclose anything that could be considered harmful to the Company's good reputation up front so that it can be dealt with appropriately.

- Conduct searches for relevant patents and trademarks.
- Make sure that no harmful actions were taken in the acquisition of the product or the Company's conduct in making a competitive product.
- Make sure no former employees of the original producer are involved.
- Make sure that nothing was unnecessarily copied or simulated, particularly unnecessary appearance features.

BRANDS AND TRADEMARKS

NEW BRAND

What to ask:

- Why was this mark selected? Does it describe anything about the Company's products or services? Is it related to the Company's other marks? Is it similar to any prior competitive or non-competitive mark?
- Do you expect that the mark will still be in use five years from now?
- Will there be a significant investment in the mark?

What to consider:

- Marks that are confusingly similar to a prior mark cannot be used.
- Marks that are generic, merely descriptive, deceptively descriptive, or primarily merely a surname can be used but are not protectable or registrable.
- Trademark rights are created by use, and only where the mark is actually used.
- Federal registration provides a number of benefits, including nationwide rights even in areas where the mark has not been used, easier enforcement, and the ability to use the [®] symbol.
- Registration costs about \$1,000-\$1,500 and usually takes about a year.



What to advise:

- Select another mark if there is a significant risk that the mark will be found to be confusingly similar to a prior mark.
- Select another mark if the mark is generic, merely descriptive, or deceptively descriptive.
- If the mark is at all important, and will be used for the foreseeable future, registration provides valuable protection.
- If the importance of the mark does not justify registration, but the mark is otherwise clear, identify it with a ™.

What to do:

 Conduct at least a preliminary search of federally registered trademarks on the internet to get an indication of whether the mark is available.



If the importance of the mark does not justify registration, but the mark is otherwise clear, identify it with a TM.

- Apply for a registration on all potentially important marks. File based on an intent to use the mark to get the USPTO's opinion on the registrability of the mark before committing to its actual use.
- If the mark is not distinctive, consider registering the mark on the Supplemental Register and reapplying after the mark has been used long enough to become distinctive.

PROPER USE OF A NEW TRADEMARK

What to ask:

- Has a trademark search been conducted?
- Has an application been filed to protect the mark, and if so, what is its status?

What to consider:

- A mark should not be used unless it has been searched.
- Filing for registration is not essential, but it is a good idea for marks that might be used for more than a very brief period.

What to advise:

- Report any complaint about the new mark immediately. Likewise, report the discovery of any similar marks immediately.
- Use the mark only as it was searched for, and only for the goods and services it has been cleared.
- Don't make any changes without researching them first.

- Make sure that the mark is used only as an adjective, preferably in conjunction with a generic term for the product or service. (For example, consider Tide[®] laundry detergent.)
- Make sure that the mark is used consistently to speed the development of protectable rights.
- Make sure that the mark is properly identified with a ™ if it has been searched but is not registered, or with a ® if it is registered.
- If the product will be exported, consider whether the marking is appropriate in the destination countries.

USE A THIRD PARTY TRADEMARK

What to ask:

- What do you want to use?
- Why do you want to use it?
- How are you going to use the mark?
- Can you use just the word, or do you feel you need to use the stylized or logo form?

What to consider:

- The Company has a right to use another's trademark, even in logo form, provided that the use is other than as a brand, as is truthful and non-deceptive.
- The use of the logo form is more likely to cause confusion, and is therefore scrutinized more closely.

What to advise:

- The Company can use another's trademark to refer to the trademark owner or its products, provided that the reference is truthful, accurate and non-confusing.
- The mark should be properly identified with a TM or R as appropriate.
- If there is a possibility of confusion from the use of the mark, a disclaimer will mitigate this risk.

- Review the use to make sure it is truthful, accurate and not confusing.
- Search the trademark so that it can be properly identified with a ™ or ® as appropriate.
- Prepare a disclaimer identifying the owner of the mark to accompany the use, so that the public isn't confused.

PROPER USE OF TM, SM AND ®

What to ask:

- Is there anything preventing the Company from identifying each use with a ™, ™ or ®?
- Where is the use going to occur?

What to consider:

- Failure to properly identify a registered mark with an [®] can reduce the period during which the Company can collect damages from an infringer.
- If a mark is not registered in all the countries in which the packaging or promotional material is used, there can be penalties for falsely identifying the mark as being registered.

What to advise:

- Each use of the mark should be identified with a ^{™, SM} or [®] if possible. If this ruins the appearance of the package or promotional material, the most prominent use on each side of the packing or each page of the promotional material should be marked at a minimum.
- If the mark is registered in each country where the packaging or promotional material will be used, then use [®] instead of [™].
- If the mark is not registered in each country where the packaging or promotional material will be used, use ™ with an asterisk and a footnote indicating where the mark is registered.

What to do:

• Follow up periodically to make sure that the marking is correct for the areas in which the packaging or promotional material is being used.



If the mark is registered in each country where the packaging or promotional material will be used, use [®] instead of [™].

ADVERTISING AND LICENSING

NEW ADVERTISEMENT

What to ask:

- Does the ad refer to any competitor or competitor product or brand?
- Does the ad make any specific claims for which the Company does not currently have support?
- Does the Company have permission to use all of the content (e.g., pictures) in the ad?
- Does the Company own all of the content in the ad? If not, why not?

What to consider:

- The Company needs permission to use every element of the ad, including text, photos and illustrations.
- If people's names are mentioned or they appear in any photo or illustration, the



The Company needs consent to use every element of the ad, including text, photos and illustrations.

Company will need their permission to use their name or likeness as well, even if the Company already has permission to use the photograph.

• While the Company doesn't need ownership of all of the components (consent is sufficient), it will need to obtain (and pay for) consent to make use of the elements in the future, including on websites and social media.

What to advise:

- Ownership of all of the elements of the ad is not required, but without ownership, the Company may need to get (and pay for) additional permissions for future uses.
- It may be appropriate to include disclaimers if third parties or their products or brands are mentioned.
- If the Company owns the advertisement, apply copyright notice to the advertisement.

- Make sure that references to third parties, their products, and their brands are accurate and disclaimed if necessary.
- Make sure that ownership of any design element is clear with respect to any outside agencies and freelancers.
- Register the copyright in the advertisement.
- Make sure the Company's trademarks are used properly.
- Confirm the truth and support for all specific factual assertions and claims.



USE EMPLOYEE IMAGES IN ADVERTISING/PROMOTION:

What to ask:

- Is it necessary to use the employee's image?
- How long does the Company want to use the image?
- How does the Company want to use the image?
- What further uses are possible?
- Is there any possibility that the employee might be terminated in the near future?

What to consider:

- Permission is needed to use the name and/or image of others, including employees.
- Employees become less cooperative once they become former employees.
- Use of an employee's name or image can tie the Company to the employee's actions and statements.

What to advise:

• Have the employee execute a broad permission and release agreement that survives the termination or death of the employee.

What to do:

- Prepare a broad permission and release agreement.
- Make note of both the use and the agreement in the employee's file.



Make note of both the use and the agreement in the employee's file.

USE THE NAME OR LIKENESS OF A FAMOUS PERSON IN ADVERTISING

What to ask:

- Who is the famous person, and is he or she still alive?
- How is the name or likeness going to be used?
- Does the Company have permission to do so?

What to consider:

 The right of publicity varies from state to state, but in some states it extends to any commercial use of the celebrity's name or likeness, even congratulatory promotional public statements.

What to advise:

• Don't use celebrity names or likenesses without permission. If the Company does ask for permission, it must act in accordance with the answer.

What to do:

- Put a license in place with the celebrity.
- Consider and address situations that would cause you to want to terminate the licenses, for example immoral conduct, political conduct, criminal conduct, etc.



Don't use celebrity names or likenesses without permission. If the Company does ask for permission, it must act in accordance with the answer.

RECEIVING A DEMAND TO TAKE A LICENSE FOR MUSIC

What to ask:

- How did the demand come in?
- To what activity does the demand relate?
- How is the Company using the music?
- Is it important that the Company continue to use the music?

What to consider:

 None of the major licensing organizations (such as ASCAP, BMI or SEASAC, among others) have a complete catalog of music, so if you need a license from one of them, you may need a license from other licensing organizations, as well.



Consider licensing from a service that handles licensed music, or take a license if one is needed.

• Not all uses of music need a license, but, in general, any public performance of music does require a license.

What to advise:

• Consider licensing from a service that handles licensed music or take a license if one is needed.

- Stop use of the music or enter into a license agreement.
- Consider the use of public domain music.

SOFTWARE AUDIT

What to ask:

- Which software company is asking to perform an audit?
- Where is the license agreement that allows them to demand an audit?
- Who will perform the audit?
- Are there any unlicensed copies of the software on the Company's systems?

What to consider:

- The software company likely has information either from a disgruntled former employee or from remote monitoring of their software.
- Extra copies of the software may be an infringement or a violation of their license agreement.
- While the agreements typically appear to give the software companies broad rights, they rarely get courts involved to fully exercise those rights.
- Audits often misidentify outdated versions of the software and trial versions of the software as "unlicensed."

What to advise:

- Perform an internal audit to determine the scope of the problem, but take no corrective action.
- Deletions of unlicensed software may be detectable, raise an inference that the problem is even worse than it appears, result in higher settlement amounts or damage awards.

- Monitor the results of the internal audit.
- Make sure to exclude older licensed versions and trial versions that may be misidentified as unlicensed.
- Avoid allowing third party access to the Company's computers, and to the extent there is an audit, restrict it to Company-owned equipment.

CREATIVE WORKS AND COPYRIGHT

NEW WORK OF AUTHORSHIP

What to ask:

- Who participated in the creation of the work?
- Were all employee-contributors acting in the scope of their employment?
- Were there any non-employee contributors to the work?
- What is the Company going to do with the work (i.e., what rights does the Company need)?

What to consider:

- The Company automatically owns the copyright in creative works created by employees of the Company in the scope of their employment.
- The only way the Company can acquire the copyright in creative works created by non-employees is through a work-made-for-hire agreement entered into before the work is created, or by an assignment. This can be an issue for software, web pages, and user manuals.

What to advise:

- Negotiate a transfer of rights from all third parties.
- Remember that employers of third party individuals may have rights.
- Get sufficient rights for the currently contemplated use and for anticipated future uses.

- Get written agreements in place before works are created
- Get written assignments after the works are completed.

RECEIPT OF A REQUEST FOR PERMISSION

What to ask:

- Is the Company willing to grant permission?
- Would the permission conflict with other permissions or licenses the Company has granted?
- What conditions or limitations does the Company want to place on the requester?

What to consider:

- The requester may be able to proceed without the Company's permission, but giving permission may allow the Company to exercise some control that it would not otherwise have.
- Having other licensees or permitees can enhance the Company's rights.
- In order to grant the permission, the Company must first have sufficient rights to do so.

What to advise:

• If the Company is willing to do so, there can be advantages to granting permissions as long as the grant will not interfere with the Company's activities or those of its licensees.

What to do:

- Respond to the request.
- If the decision is to grant permission, put the conditions in writing and require the requester to acknowledge them. Include a right to terminate the permission.
- Require samples of each use be provided.
- Keep track of the permissions granted, and the uses made.



If the decision is to grant permission, put the conditions in writing and require the requester to acknowledge them. Include a right to terminate the permission.

USE A PHOTOGRAPH OR DRAWING FROM THE INTERNET

What to ask:

- Where did the image come from?
- Does the image show any identifiable person?
- What does the Company want to do with the image?

What to consider:

- Any image after about 1930 is possibly protected by copyright and any image after 1979 is likely protected by copyright.
- Reproduction or display of a copyrighted image is an infringement unless it qualifies as a fair use, but fair use is a lot more limited than most people understand.
- A commercial use to promote a business, such as on social media, is unlikely to be deemed a fair use.
- In addition to copyright rights, any identifiable person in the image has a right of publicity and/or right of privacy that must be addressed.

What to advise:

- Avoid the use of photos and other images unless it can be ascertained that it is not covered by a copyright.
- Use public domain images.
- If any person is identifiable in the image, you need to obtain a consent from them before using their images. When using stock images, make sure a release is included.
- While it seems like everyone is doing it, it is nonetheless an infringement to use images without permission. This is particularly critical for external uses. While internal uses can also be infringing, they are less likely to be discovered and thus pose less of a risk.

- If permissions or licenses are needed, obtain them and keep a record of the permissions.
- Don't remove copyright information from any image without permission to do so.



harnessip.com

metro locations

Dallas 469.777.5400

Detroit 248.641.1600

St. Louis 314.726.7500

Washington, D.C. 703.668.8000