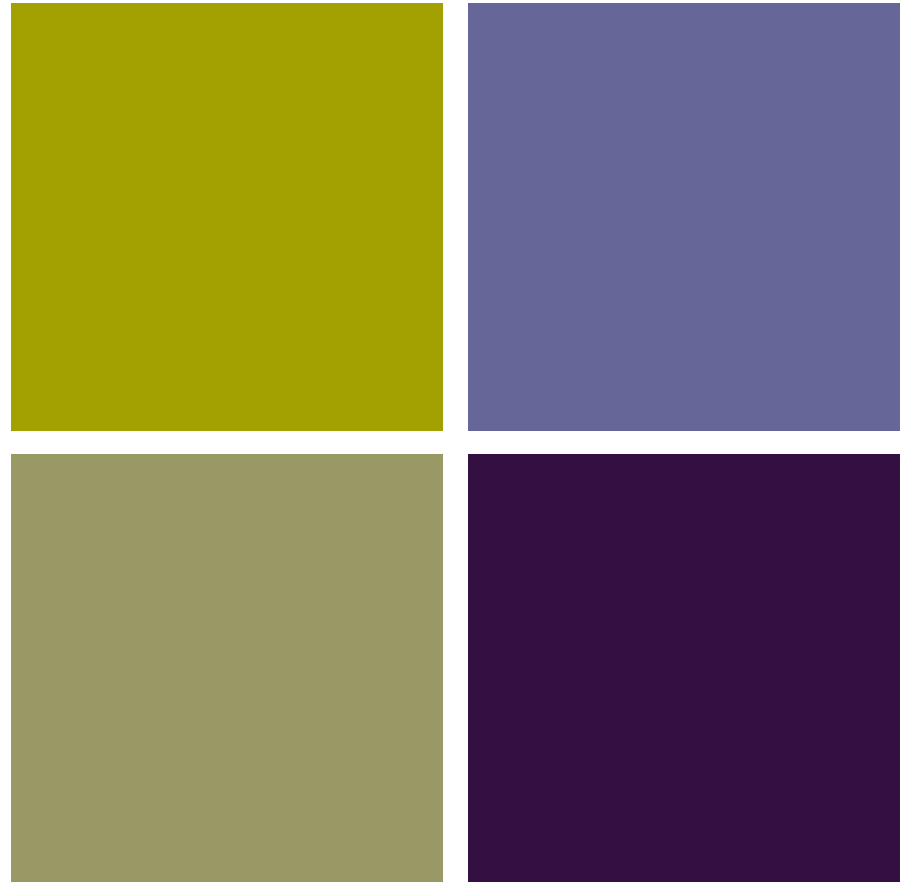




**WHAT EVERY BUSINESS
NEEDS TO KNOW ABOUT IP**



Lombard 
Geliebter
intellectual property law



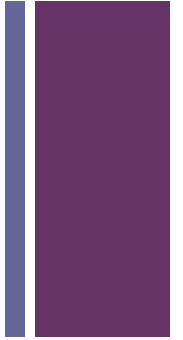
I have a business or intend to start a business.
How do I protect my products/services with IP?
How do I avoid infringing other's IP?



- Market Research /Diligence
 - Similar/Competing Products/Services?
 - Does the competition have IP that limits entry to the market?
 - How can I avoid competitor IP?
 - What is unique about my product/service?
 - Can you protect that unique feature with Intellectual Property (IP)?



Intellectual Property (IP) Overview



- If available, IP can provide ability to exclude others from copying certain aspects of your business.

- Types
 - Trade Secret
 - Trademarks/Trade Dress
 - Copyright
 - Patents
 - Other
 - Employment agreements
 - Non-compete clauses
 - Non-Disclosure Agreement (NDA)



Trade Secret/Non-disclosure Agreement (NDA)



- Contractual/Common Law and Statutory right that limits other's ability to use confidential information without consent
 - Stand alone, or part of employment or other agreements
 - Confidential information includes business information, technical information, formulas, client lists, etc.
- Pros
 - Cost
 - Broad protection for all confidential information
 - Non-compete clause may limit competition for limited time (reasonable time and geographic area)
- Cons
 - Lasts only as long as information is kept in confidence
 - When product/service brought to market, others free to copy public information unless other protection in place
 - Not all potential partners willing to sign
 - Beware of the anti-NDA

+ Trademark/Trade Dress



- Trademark/Trade dress
 - Federal and Common Law right to prevent others from using Trademark/Trade Dress without consent
 - Key issue: is the competing mark/logo **confusingly similar**, such that infringing party is in effect using the goodwill of an entity with superior rights without consent.
- Pros
 - Cost – Common law trademark established simply by using the mark in commerce
 - Federal registration provides national protection
- Cons
 - Does not protect functional subject matter
 - Protection only for name, logo, and trade dress (color, shape, smell, sound, etc.)
 - Common law rights provide limited jurisdictional protection

+ Copyright



- Federal right prevents others from using author's work without consent
- Pros
 - Cost – rights established when work set in a tangible medium
 - Federal registration required to enforce copyright
- Cons
 - Only applies to “works”
 - Music, photos, artwork, written works, sculptures, etc.
- Careful using other's photos/written works without a license!
- “Work for hire” clause necessary to transfer ownership.

+ Patents

- Federal right prevents others from using patented invention without owner's consent
- Types
 - Utility – protects functional features
 - Provisional (12-month place holder)
 - Non-Provisional (must be filed within 12 months of provisional)
 - Design – protects ornamental features
- Pros
 - Exclusivity – 20 years from filing date for utility and 15 years from issue for design
- Cons
 - Cost – can be the most expensive IP right to develop
 - No interim protection – rights only when patent issues
 - Public disclosure may bar patent





With all these choices, how do you decide which type of IP protection to pursue?



- IP protection must be part of a sound business plan
 - Venture goals
 - One product vs. sustained multiproduct business
 - Local vs. National business/Franchise
 - First to market vs. long term market
 - When and for how long will protection be necessary
 - Budget for IP
 - Small vs. unlimited
 - Prioritize
 - Cost vs. benefit
 - Narrow protection may come at a high cost. Is it worth the effort?

+ Tips for managing IP budget



- Start small, invest in IP as the venture progresses/as needed
- Example - Functional protection:
 1. NDA/Employment Agreement - protection for as long as information is confidential
 2. Provisional patent – placeholder for 1 year
 - Must file within 1 year of first public disclosure.
 3. Utility patent
 - Must file within 1 year of first public disclosure or within one year of provisional filing
 - ❖ Delaying filing provisional may be detrimental based on first-to-file rule changes.



Tips for managing IP budget



- Start small, invest in IP as the venture progresses/as needed
- Example – Non-functional/Ornamental protection:
 1. NDA/Employment Agreement - protection for as long as information is confidential
 2. Copyright – protection starts automatically
 3. Common Law Trademark – Protection starts automatically
 4. Federal Trademark Registration
 5. Design patent
 - Must file within 1 year of first public disclosure
 - Cannot rely on provisional application as a placeholder
- ❖ Patent reform consideration – delaying in filing provisional may be detrimental

+ Case study: Faberge



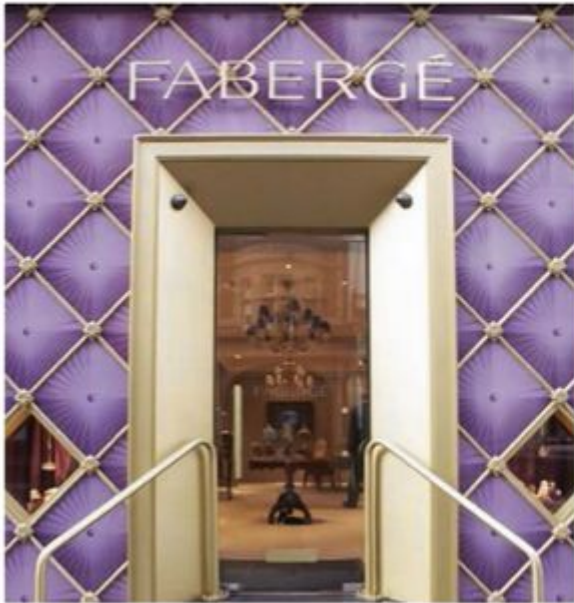
- Faberge Restaurant
 - Brooklyn NY.
 - Owner wanted to provide an upscale experience.

+ Case study: Faberge



- Faberge Jewelers
 - Worldwide presence, store in Paris
 - Do not want third parties trading on their good will.

+ Case study: Faberge



- Confusingly similar?
 - Similarities in the mark/trade dress?
 - Similarities in the service?
 - Other issues?
 - False advertising?



Other consideration



- Employee/Contractor
 - Employment/Contractor agreement should include:
 - IP assignment clause
 - NDA/Non-compete clauses
 - Inventor/creator is presumed owner of IP. Shop rights may provide employer with license only.

- Foreign IP
 - IP registrations are jurisdictionally limited, e.g., US patents only cover US, etc.

- IP license
 - Are considered part of IP portfolio
 - Indemnity provisions may limit risk



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