



FITCH EVEN

The Latest in Intellectual Property

Thomas F. Lebens

Managing Partner, West Coast Operations

Fitch, Even, Tabin & Flannery LLP

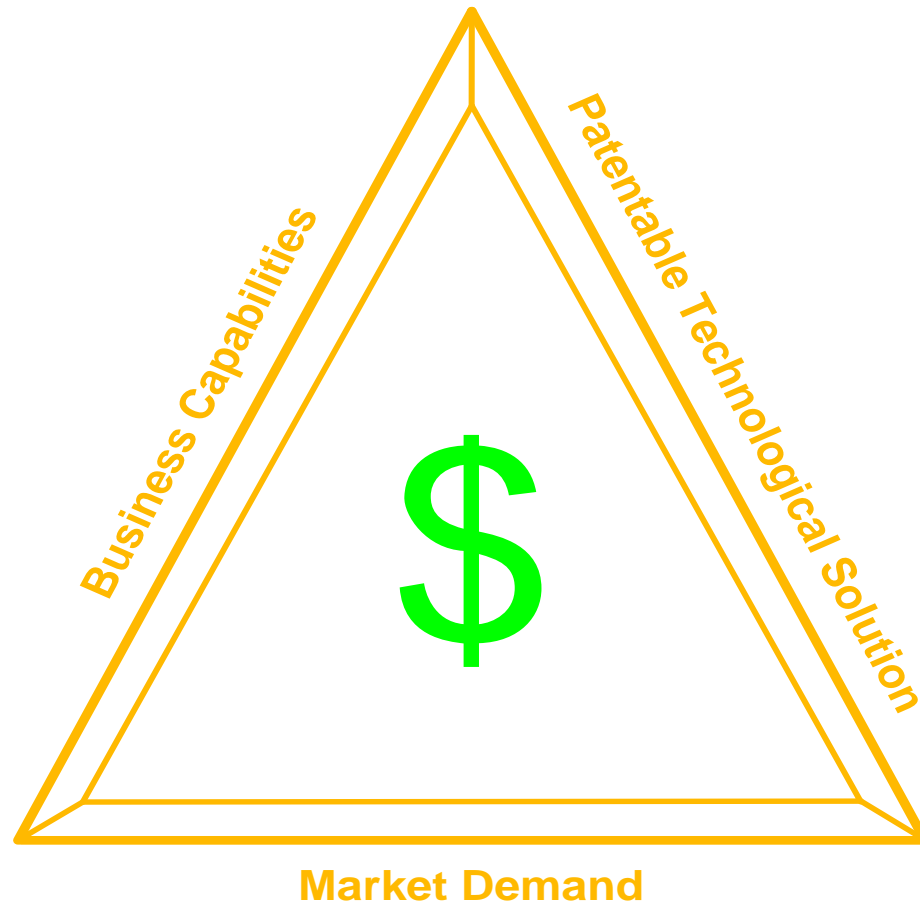
November 13, 2017

© 2015 Fitch, Even, Tabin & Flannery LLP

Start With a Plan

- ◆ Start with a plan
 - Business Strategy
 - Intellectual Property Strategy
- ◆ Collection/Identification (Invention disclosure)
- ◆ Filtration of filings (management)
- ◆ Management during prosecution
- ◆ Management after issuance

Start With a Plan



Follow the Money

- ◆ Ignore IP for the moment and answer the question: Is there market value in what you want to protect or in the means for creating it?
- ◆ Where is the value of the business or product? What are its assets?
- ◆ IP usually protects preexisting market value of a business or its products and services
- ◆ IP usually has little or no inherent worth; it is merely a protector of other assets
- ◆ Don't look to IP to create value, follow the money to find where IP may protect value

What to Look at

During filtration, look at

- ◆ Timing
- ◆ Complexity
- ◆ “Detectability”/ease of avoidance
- ◆ Royalty basis
- ◆ Geography
- ◆ Who will infringe
- ◆ Standards
- ◆ Business direction
- ◆ Use by others

Leverage!

- ◆ Knowledge assets should be treated like inventory—kept moving
- ◆ Intellectual capital management is about connection, not collection
- ◆ Strategies
 - “Productize”
 - Sell/Acquire
 - In/Out license
 - Debt/Equity
 - Grow (JV, SP, JDA, etc.)

Types of Intellectual Property

- ◆ Trade Secrets
- ◆ Copyright
- ◆ Trademark
- ◆ Patent
 - Design
 - Utility
 - Provisional

What is a Trade Secret?

- ◆ Secret formulae, processes, products, software, plans, designs, specs, pricing, devices, R&D information, business information
- ◆ Right to exclude others from improper obtaining, disclosure, or use
- ◆ State law

What is a Copyright?

- ◆ Works of authorship fixed in a tangible medium of expression
- ◆ Life of author plus 70 years
- ◆ Right to
 - Copy (prevent substantial copying)
 - Prepare derivative works
 - Distribute copies
 - Perform
 - Display
 - Digitally transmit
- ◆ Federal law

What is a Trademark?

- ◆ Words, names, symbols, devices, sounds, smells used to identify source or origin
- ◆ Must be used in commerce (interstate commerce for federal registration)
- ◆ Right and obligation to prevent others from using a trademark likely to cause confusion, mistake, or deception among the relevant consumers
- ◆ State and federal law

What is a Design Patent?

- ◆ Ornamental designs for article of manufacture
- ◆ Right to exclude others from making, using, or selling for a period of 15 years from the date of grant
- ◆ Federal law

What is a Utility Patent?

- ◆ Structure or process made by a person
- ◆ Right to exclude others from making, using, or selling the invention for 20 years from the patent filing date
- ◆ Federal law


- ◆ Statutory subject matter (35 U.S.C. 101)
 - Anything under the sun made by a person
 - Abstract Ideas — *Alice* case
- ◆ Useful (35 U.S.C. 101)
- ◆ Novel (35 U.S.C. 102)
- ◆ Non-obvious (35 U.S.C. 103)
- ◆ Written description, enablement, best mode (35 U.S.C. 112)

- ◆ Pre-Alice
 - Anything under the sun made by a person – *State Street Bank*
 - Machine or transformation test – *In re Bilski*
- ◆ Post-Alice
 - Machine or transformation useful, but not dispositive
 - *Alice* test
 - Abstract idea
 - More structure helpful
 - Something more
 - Improve the machine itself
 - *DDR Holdings*
- ◆ More to come

What is Novel

Prior Art 35 U.S.C. 102(a) (Basis for Rejection)		Exceptions 35 U.S.C. 102(b) (Not Basis for Rejection)	
102(a)(1) Disclosure with Prior Public Availability Date	102(b)(1)	(A) Grace Period Disclosure by Inventor or Obtained from Inventor	
		(B) Grace Period Intervening Disclosure by Third Party	
102(a)(2) U.S. Patent, Published U.S. Patent Application, and Published PCT Application with Prior Filing Date	102(b)(2)	(A) Disclosure Obtained from Inventor	
		(B) Intervening Disclosure by Third Party	
		(C) Commonly Owned Disclosure	

**First-Inventor-to-File
Statutory Framework**

 **AMERICA INVENTS ACT**
IMPLEMENTATION

Checklist: Places to Look for Value in IP

- ◆ Unique product or service—Is it patentable or copyrightable; can it be a trade secret?
- ◆ Innovation in product or service—Patentable?
- ◆ Technology in marketplace changing all the time—Patentable improvements?
- ◆ Burgeoning market—License IP to competitors
- ◆ Large and/or growing market share—Use IP as barrier to entry and competition
- ◆ Competition is equal—Keep level playing field with IP?
- ◆ Customer list—Trade secret?
- ◆ Branding—Trademark?
- ◆ What IP do competitors have and enforce?
- ◆ IP valuation services

Let's Construct a Hypothetical

Hypothetical new idea for a new product:

Software that automatically cleans viruses on a smartphone or tablet

Think ahead.

Envision a future scenario where your IP protection could have value; is it realistic?

Plan ahead; what stages will you go through?

Think about IP protection along the way.

Where is the Value of IP?

Stage 1: New idea

Stage 2: Writing of the software—Copyright registration

Stage 3: Development of a product—Patent application for functionality, design patent application for graphical user interface, patent application for manufacturing process, trade secret

Stage 4: Introduction to the market—Trademark application

STOP: Are your patent applications on file? Both U.S. and foreign? Do they fully describe your product and process?

Where is the Value of IP?

Stage 5: Growth of the market

Stage 6: Competition

Stage 7: Copying of product, process, product name, logo, graphical user interface, software—**Do I have IP rights (patents, trademarks, copyrights, trade secrets)?**

Now what?

Enforcement Required to Realize Value of IP

- ◆ Big question—“Now what?”
- ◆ So far, all you have done is pay money for potential IP protection
- ◆ Now your IP may take on real value, but you must appear willing to enforce your rights

Enforcement Required to Realize Value of IP

◆ Two Options

1. Sale or licensing of rights

- Allows competitors on market
- Helps grow the entire market, including yours?
- Realize licensing income
- You might get out of business

2. Exclusion through enforcement, litigation

- ◆ Do any of these options look good to you?
- ◆ Might any of these options look good (or bad) to the infringer?
- ◆ Where is your negotiation leverage?
- ◆ Fact-specific; won't attempt to figure it out today

Defensive IP—Keeping the Enemy at Bay

- ◆ Defensive IP—Keeping the enemy at bay
- ◆ Use patents as a deterrent
- ◆ Nuclear weapon you don't want to use
- ◆ Larger industries develop cross-licensing or patent pooling
 - They don't try to use patents to create overwhelming competitive advantages, but simply to level the playing field

How Do You Keep Your IP Current?

1. Continuation patent applications (always keep a continuation in the pipeline if you can)
2. Nonstop review of your portfolio of IP
3. Look at competition
4. Look at the market
5. Predict the future competition and market

IP Hot Topics

◆ Patent Trolls (under scrutiny by Congress and the courts)

From: IP Law360 [<mailto:news@law360.com>]
Sent: Tuesday, April 29, 2014 10:02 AM
To: Karl Fink
Subject: BREAKING NEWS: High Court Strikes Double Blow Against Patent Trolls



Tuesday, Apr. 29, 2014

BREAKING NEWS: High Court Strikes Double Blow Against Patent Trolls

The U.S. Supreme Court on Tuesday made it considerably easier for courts to impose sanctions on so-called patent trolls and other plaintiffs that bring meritless patent suits, relaxing two Federal Circuit tests that it said were too restrictive.

Organizations In The News

◆ Design patents



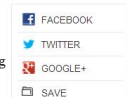
Jury Tells Samsung to Pay Apple \$290 Million



Captivate, left, and Epic 4G figure in Samsung's patent dispute with Apple. The tech giants will meet again in court next year.

By BRIAN X. CHEN
Published: November 21, 2013

SAN JOSE — A jury on Thursday said that Samsung Electronics would have to pay Apple \$290 million more in damages for violating patents, putting an end to one chapter in the long-running patent struggle between the two tech companies.



Apple Awarded \$1 Billion

In August last year, a California jury determined that Samsung had infringed on a series of Apple patents and needed to pay more than **\$1 billion in damages**. But the judge, Lucy H. Koh of the Federal District Court for Northern California, later vacated \$450 million of the original award, saying it was unclear how the jury had calculated that portion, but said Samsung owed the remaining \$600 million.

Design Patents

Samsung Smartphones BEFORE iPhone	Apple's iPhone (announced Jan. 2007)	Samsung Smartphones AFTER iPhone
		

Provisional Patent Application—Background

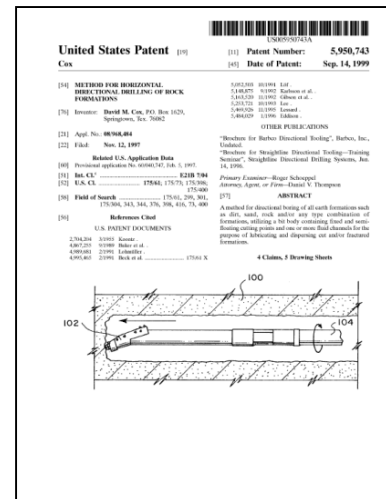
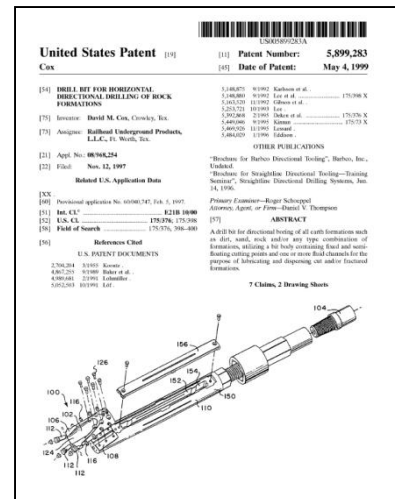
- ◆ Useful tool under a First-to-File system
- ◆ Has few requirements of form
- ◆ Sets a filing date, without substantive examination
 - U.S. utility and non-U.S. patent applications must be filed within one year of this filing date
 - Claim priority under 35 U.S.C. 119(e) and 120 or the Paris Convention

Requirements for Filing

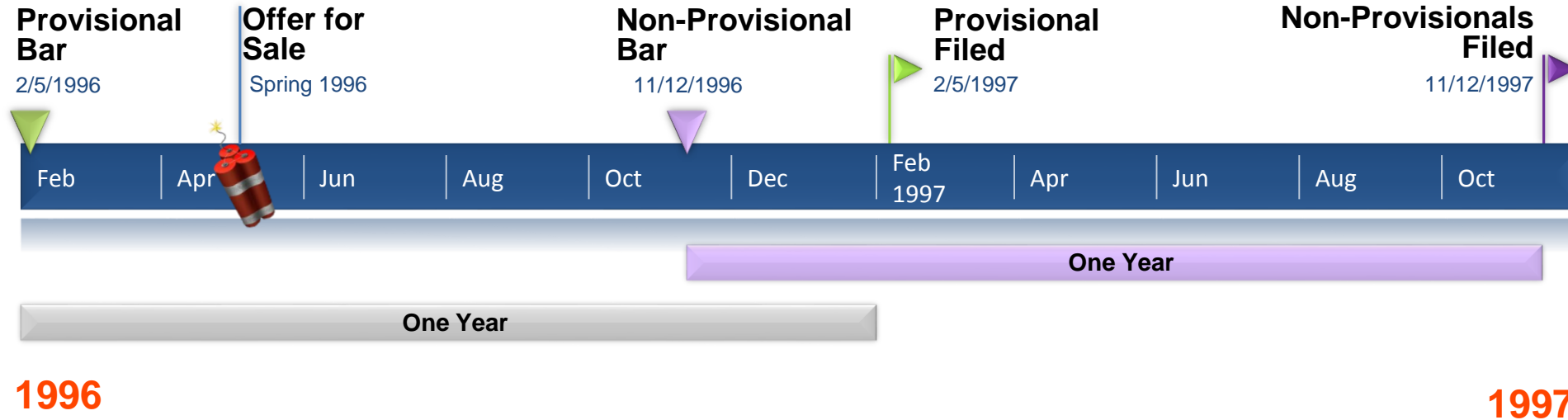
- ◆ 35 U.S.C. 111(b) and MPEP 201.04
 - Specification in compliance with 35 U.S.C. 112(a)
 - A description sufficient to enable a skilled person to make and use the concept without undue experimentation
 - Best mode
 - Drawings (if required to understand the invention)
 - Filing fees
 - Provisional cover sheet
 - Cannot claim priority to earlier application

Federal Circuit 2002

- ◆ U.S. Patent No. 5,899,283
 - Drill Bit for Horizontal Directional Drilling of Rock Formations
- ◆ U.S. Patent No. 5,950,743
 - Method for Horizontal Directional Drilling of Rock Formations



New Railhead: Timeline



New Railhead: Claim 1

1. An asymmetric drill bit for horizontal directional drilling in rock, comprising:
 - a bit body attached to an end of a sonde housing;
 - the unitary bit body being angled with respect to the sonde housing the bit body being nonmovable with respect to the sonde housing in drilling operation; and
 - the bit body being mounted with a plurality of substantially forward-facing end studs extending from a front face of the bit body.

New Railhead: Provisional Application

08/795095
08/795095

substantially all the shear load on the fasteners B (Fig. 2) used to hold the rock bit to the sonde
earth as well as soft formations. Fracturing is accomplished with application of hard carbide
process has successfully navigated through hard shales, sandstone, light limestones, Austin chalk,
to any process that incorporates a need to bore or drill through any earth bound formation that

MAIL ROOM
FEB 10 2007
U.S. PATENT & TRADEMARK OFFICE

08/795095
55 USC 101, 102, 103
60040747
08/795095

PROVISIONAL APPLICATION under 37 C.F.R. § 1.53 (b)(2)
TRANSMITTAL FORM
Attorney Docket Number: B-6016

Assistant Commissioner of Patents
Washington, D.C.

Dear Sir:

Enclosed Application parts are:

	Spec w/claims	Number of Pages
<input checked="" type="checkbox"/> X	Spec w/o claims	Number of Pages
<input checked="" type="checkbox"/> X	Formal drawings	Number of Sheets
<input type="checkbox"/>	Informal drawings	Number of Sheets
<input type="checkbox"/>	Other:	

Inventors:
Last Name First Name MI Residence (City and State)
Con David M Springtown, Texas

Title of Invention:
Rock Bit for Directional Drilling

Correspondence Address:
Daniel V. Thompson
Thompson & Horison, L.L.P.
12223 Greenwillow Avenue, Suite 905
Dallas, TX 75243
Phone: 972-479-0450
Fax: 972-479-0215

Was this invention made under Government contract? ☒ X No ☐ Yes

Identify contract and Government agency: _____

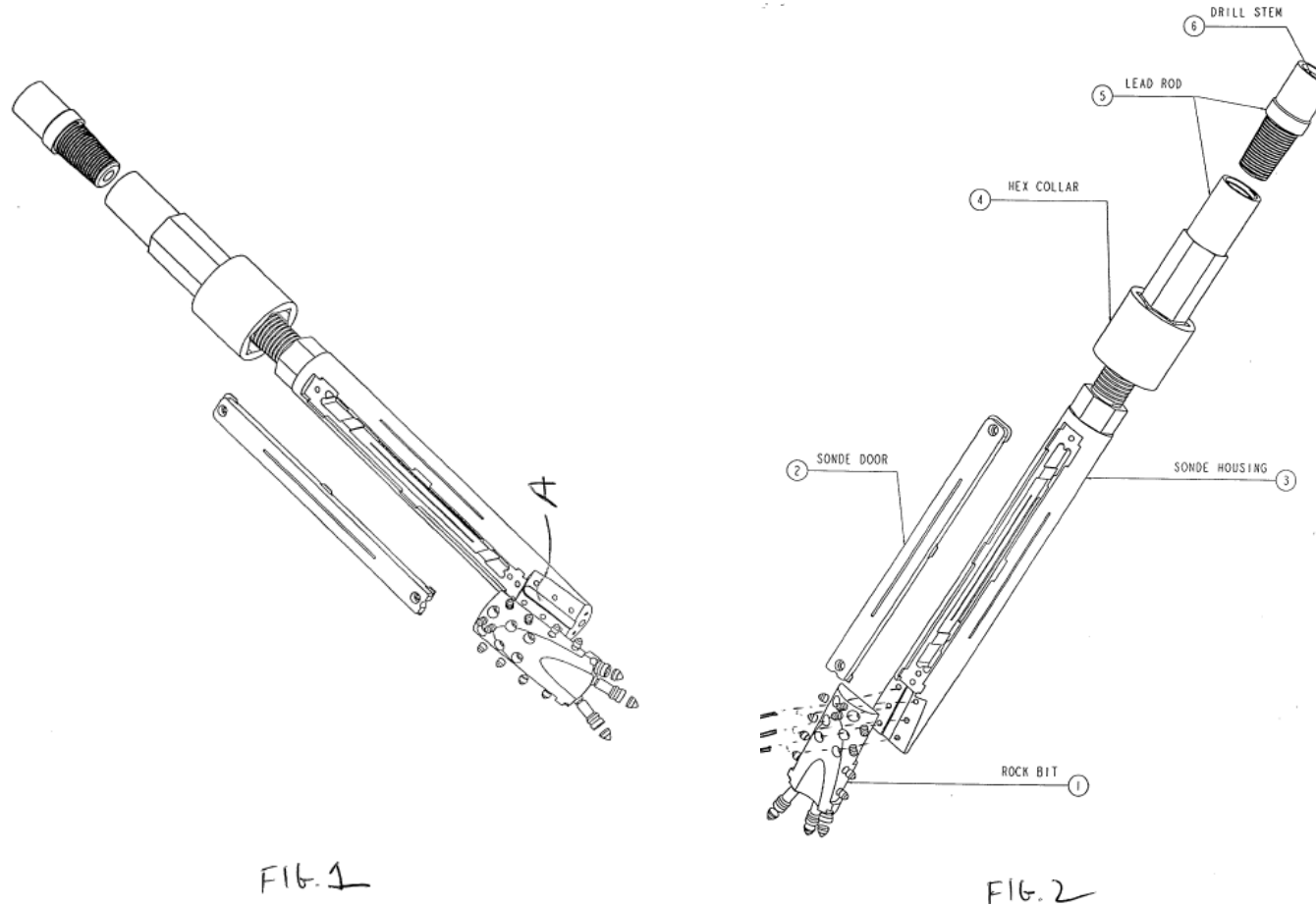
Check # _____ enclosed for filing fee of ☐ \$150.00 ☐ \$75.00

Respectfully Submitted

Daniel V. Thompson
Registration No. 26,796

Date: 2/5/97

New Railhead: Provisional Figures



New Railhead: Provisional Disclosure

- ◆ No mention of bit angled w.r.t. housing
- ◆ No mention of heel/toe extending beyond housing

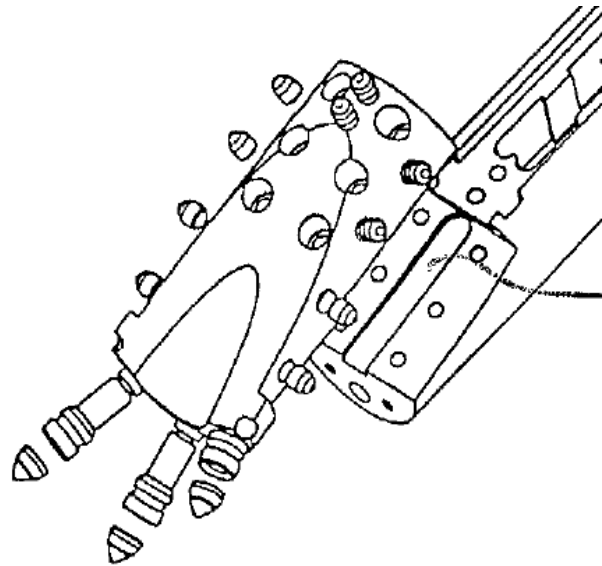


Figure 1 of Provisional

New Railhead Mfg., L.L.C. v. Vermeer Mfg. Co.

'283 Patent Disclosure

- ◆ “bit body is angled with respect to the sonde housing, as best shown in Fig. 4.”

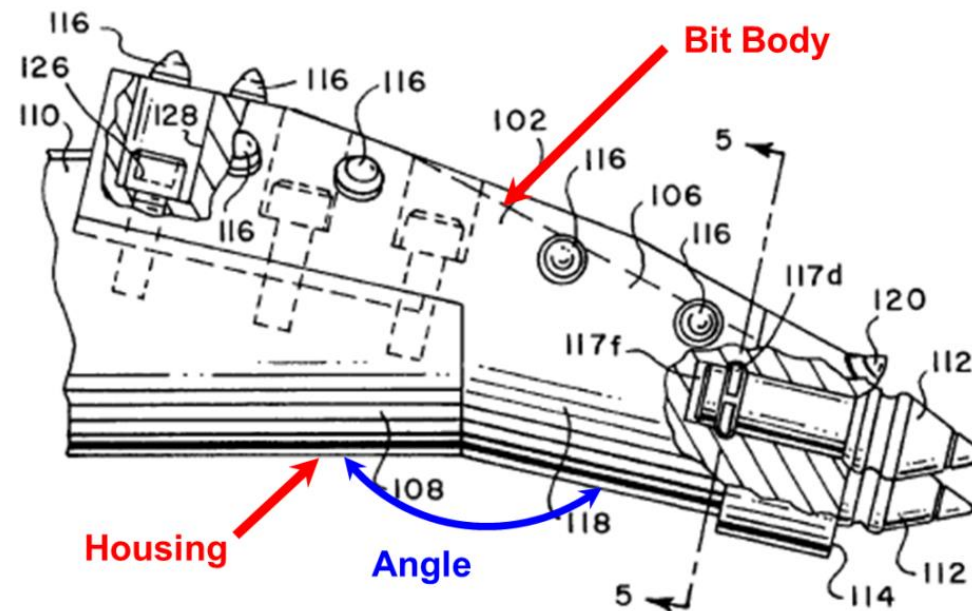


Figure 4 of '283 Patent

What's Happening with AI

AI is preparing patent applications . . . and they are good! But AI is not good at:

- Developing business & legal strategy
- Predicting legal trends
- Predicting market trends
- Predicting competitive trends
- Working with the human Examiners

Thank You!

Questions or Comments?

Thomas F. Lebens
tlebens@fitcheven.com
805.548.1800
@tlebens