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STARTUP & ACCELERATE

**Protecting Your IP and Cybersecurity Issues
for Your Startup**

November 10, 2022

Ezra Church & Kenneth Davis

Privacy & Cybersecurity

Morgan Lewis

Overview



Why Should I Care?



Key Legal Requirements



Implementing Privacy and Security in Deals

Why should I care?

- If your company cannot collect and deploy data consistent with data privacy laws, there may be flaws in the business model and prevent your success
- Failure of a company to meet basic data privacy and security standards can result in crippling liability
- Failure of a company to meet basic data privacy and security standards can be a major impediment to financing/acquisition



Good News/Bad News

- **Good News** – there is no all-encompassing data privacy or cybersecurity statute in the U.S.; the GDPR applies across Europe (with local laws)
- **Bad News** – there is no all encompassing data privacy cybersecurity statute in the U.S.; the GDPR applies across Europe:

Attorney General Enforcement

FTC Act

FCRA

CAN-SPAM

COPPA

Breach Notification Laws

Data Disposal Laws

FERPA

Gramm-Leach-Bliley

MA Data Security Regulations

Red Flags Rule

FACTA

EU “safe harbor” rules

Consumer Class Actions

PCI and DSS Credit Card Rules

Document Retention Requirements

HIPAA

CA Online Privacy Act

CA Consumer Privacy Act

Stored Communications Act / ECPA

Do Not Call Lists

Telephone Consumer Protection Act

Video Privacy Protection Act

Wire Tapping liability

Invasion of Privacy Torts

Computer Fraud and Abuse Act

Communications Decency Act

Spyware Laws

RFID Statutes

FDCPA

Driver’s Privacy Act

Social Security Number Laws

Others State Laws

1. Sector/Jurisdiction Specific US Privacy Laws

Money	Health	Kids	California
<ul style="list-style-type: none">• Gramm-Leach-Bliley Act• Fair Credit Reporting Act (FCRA)• State Laws	<ul style="list-style-type: none">• Health Insurance Portability & Accountability Act (HIPAA)	<ul style="list-style-type: none">• Family Educational Rights & Privacy Act (FERPA)• Children's Online Privacy Protection Act (COPPA)• State Laws	<ul style="list-style-type: none">• California Consumer Privacy Act

- Consumer Marketing! Telephone Consumer Protection Act (TCPA), CAN-SPAM, and Do Not Call regulations
- Biometrics

California Consumer Privacy Act (CCPA)

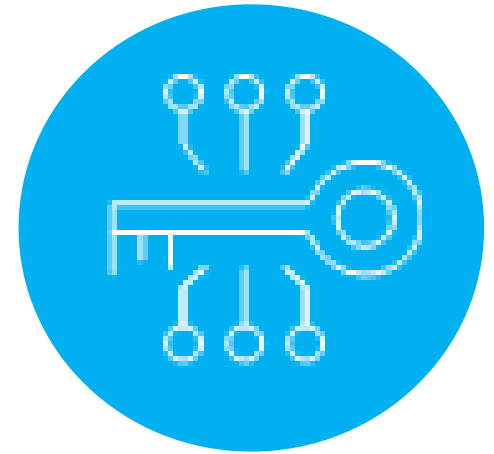
- Passed into law on March 28, 2019; effective Jan. 1, 2020
- Inspired by the EU GDPR
- California is a traditional leader in US privacy law
- Comprehensive privacy law intended to protect personal information of California residents
- “Personal Information” is defined broadly as any information “that identifies, relates to, describes, is reasonable capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household.”
- Applies to a “business” which: (1) has annual gross revenues in excess of \$25 million; (2) annually buys, receives, sells or shares personal information of 50,000 or more consumers, households, or devices, alone or in combination; (3) or derives 50% or more of its annual revenue from selling consumers’ personal information.

CCPA – Key Requirements

- Notice about what personal information the business collects, purpose, and sharing.
- Right to know categories and specific information collected
- Right to request deletion
- Right to correction
- Right to opt out of “sale” of personal information
- Other obligations, include:
 - Contracts with service providers
 - Training employees how to respond to rights requests
- Enforcement
 - AG can seek \$2,500 per violation / \$7,500 for intentional violations
 - Class actions for data breaches of \$100-750 per consumer per incident

2. Privacy Policies – US

- FTC and State Laws
- Self-imposed regulation
- Basic principles
 - What information is collected
 - Purpose of collection
 - Disclosure
 - Rights
- Language to look for:
 - “Transfer of assets” language
 - Restrictions on sharing/sale of personal information
 - Promises about security
- Must notify regarding material, retroactive changes
- Other public statements about privacy and security?



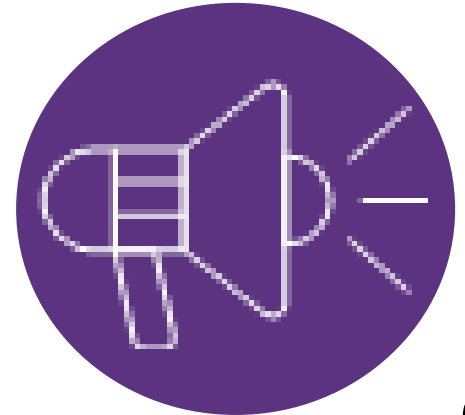
3. Data Security Requirements

- US Sector-specific laws may apply
- GDPR requirement for technical and organizational measures to protect personal data
- Contracts may require certain security standards – NB EU/UK data processing agreements must include security obligations
- MA Security Regulations
 - Have a written information security plan
 - Additional administrative discipline
 - Social security numbers
 - Encryption
 - Training



4. Breach Notification – US

- 50 States and D.C.
- Based on the individual's residence
- Triggering elements vary
- Encryption / lack of use exception – sometimes
- Timing of notice– “as soon as practicable,” but need information to notify
- Vendor management



Intellectual Property

The background of the slide is an abstract composition of vibrant, blurred streaks of light. The colors transition from deep reds and oranges on the left to bright blues and purples on the right, creating a sense of motion and energy. The streaks vary in thickness and intensity, giving the background a dynamic, almost ethereal quality.

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Topics Covered Today



Patents



Trademarks



Trade Secrets



Copyrights

Patents



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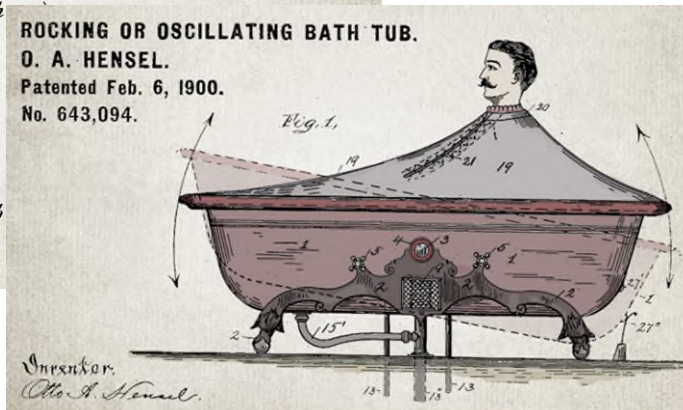
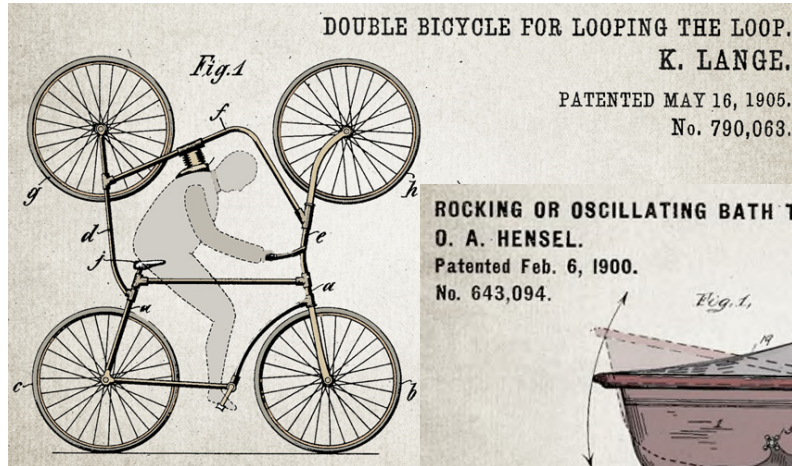
What is a Patent?

- Government granted right to **EXCLUDE** others from:
Making, using, selling, offering for sale, importing
- It is **NOT** a right to do anything
- **Limits:**
 - Statutory term and payment of fees
 - Territorial
 - Survives challenges raised defendants
- Ownership in US: **Inventors** unless assigned
- Novel, not obvious relative to “prior art”
- Not a law of nature, physical phenomena, abstract idea



Types of Patents – Utility Patent

- Utility Patents – 20 year term of protection for new, useful, and non-obvious inventions



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US008542156B2

(12) **United States Patent**
Patel

(10) **Patent No.:** **US 8,542,156 B2**
(45) **Date of Patent:** **Sep. 24, 2013**

(54) **PEDESTAL FOR TRACKING ANTENNA** 4,685,649 A 8/1987 McKay
5,517,204 A * 5/1996 Munkoshi et al. 343,765
5,751,254 A 5/1998 Iial et al.
6,530,563 B1 3/2003 Miller et al.
(75) **Inventor:** **Trushar D. Patel**, Hercules, CA (US) 7,298,342 B2 * 11/2007 Young et al. 343,765
7,374,177 B2 * 5/2008 Stacey 248,122.1
7,446,723 B2 * 11/2008 Osaka et al. 343,766
(*) **Notice:** Subject to any disclaimer, the term of this 7,463,206 B1 * 12/2008 Kyle 343,766
patent is extended or adjusted under 35 2006-0806307 A1 4/2006 Swenson
U.S.C. 154(b) by 952 days. 2008-02-58988 A1 10/2008 Son et al.

(21) **Appl. No.:** **12/638,872**

(22) **Filed:** **Dec. 15, 2009**

(65) **Prior Publication Data**
US 2010/0149059 A1 Jun. 17, 2010

Related U.S. Application Data
(60) Provisional application No. 61/122,698, filed on Dec. 15, 2008.

(51) **Int. Cl.** (2006.01)
H01Q 3/00

(52) **U.S. Cl.** 343/765; 343/766; 343/882

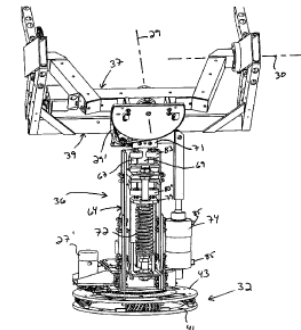
(58) **Field of Classification Search**
USPC 343/765, 766, 882
See application file for complete search history.

(56) **References Cited**
U.S. PATENT DOCUMENTS
4,295,621 A * 10/1981 Stryl 248/183.2
4,596,989 A 6/1988 Smith et al.

* cited by examiner
Primary Examiner — Dieu H Duong
(74) **Attorney, Agent, or Firm** — Morgan, Lewis & Bockius LLP; Victor E. Johnson

(57) **ABSTRACT**
A pedestal for tracking antenna includes a horizontal isolation assembly dimensioned and configured to isolate the support plate from horizontal vibration and shock of the base ring, a hub assembly including a support mounted on the horizontal isolation assembly rotatably supporting a rotating frame about a first azimuth axis, a vertical isolation assembly including an upright frame and a cross-level axis support slidably interconnected with a linear bearing assembly, the linear bearing assembly having a profiled rail slidably received within a complementary shaped bearing block, wherein the profiled rail can not twist axially relative to the bearing block, a cross-level frame pivotally mounted on the cross-level axis support about a second cross-level axis, and/or an elevation frame assembly supporting the tracking antenna and pivotally mounted on the cross-level frame about a third elevation axis.

23 Claims, 14 Drawing Sheets

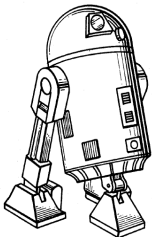


Types of Patents – Design Patent

- Design Patents – 15 year term of protection (if filed after May 13, 2015); protects industrial design NOT function

United States Patent [19] (1) Des. 251,628 (45) Apr. 17, 1979

[40] **ROBOT** [54] **References Cited**
 [5] **Inventors:** Ralph McQuarrie, Los Angeles, Calif.; John Stean, Grand Cross, England
U.S. PATENT DOCUMENTS
 D. 196,443 10/1963 Irwin D34/15 AD
OTHER PUBLICATIONS
 Playthings, Mar., 1962, p. 563, upper right, "Mr. Atomic."
Primary Examiner—Melvin B. Feller
Attorney, Agent, or Firm—Michael A. Painter
 [57] **CLAIM**
 The ornamental design for a robot, substantially as shown.
 [21] **Appl. No.:** 832,520
 [22] **Filed:** Sep. 12, 1977
DESCRIPTION
 FIG. 1 is a front perspective view of a robot showing our new design; and
 FIG. 2 is a rear elevation view of the robot shown in FIG. 1.



United States Patent [19] (11) Patent Number: Des. 378,308 (45) Date of Patent: Apr. 8, 1997

[40] **TROLL LURE** [54] **FOREIGN PATENT DOCUMENTS**
 [76] **Inventors:** Douglas R. Reor, 109 Wachtel Dr., Gilroy, Wis. 53716; Harold E. Garbwaite, 205 E. Rowwood, Gilroy, Wis. 53718
U.S. PATENT DOCUMENTS
 D. 168,976 11/1950 Sharf D20210 X
 D. 196,223 11/1964 Lowery D20210 X
 D. 214,092 11/1966 Mann D20210 X
 D. 216,172 11/1966 Hestman D20210 X
 D. 262,842 10/1989 Hestman D20210 X
 D. 186,436 09/1993 Stegmaier D20210 X
 D. 188,430 09/1993 Longacker D20210 X
 D. 220,006 09/1993 McEldowney D20210 X
 D. 274,171 12/1994 Palmer D20210 X
 D. 279,465 11/1994 Capin D20210 X
 D. 324,111 11/1994 Brunel D20210 X
 D. 379,450 11/1994 Kuroki D20210 X
 D. 380,279 01/1995 Goshin D362127
 D. 470,740 12/1998 Stone D362127
 D. 466,486 01/1999 Westervelt D362127
 D. 512,051 03/1995 Matzke D362127 X
OTHER PUBLICATIONS
 North Trolls Playing Cards, Fuzler Corp., The Troll Co., Six Selected Cards 1992.
 The Washington Daily News, p. 8, Troll Doll, Toyer Industries, Inc., p. 209, Troll Dolls.
Primary Examiner—Doris V. Coles
Attorney, Agent, or Firm—Richard C. Linsen
 [57] **CLAIM**
 The ornamental design for a troll lure, as shown and described.
DESCRIPTION
 FIG. 1 is a perspective view of a troll lure showing my new design.
 FIG. 2 is a front elevational view thereof.
 FIG. 3 is a left side elevational view.
 FIG. 4 is a right side elevational view thereof.
 FIG. 5 is a rear elevational view thereof.
 FIG. 6 is a top view thereof; and
 FIG. 7 is an additional perspective view thereof.
 The broken line showing of the hook in FIGS. 1-5 and 7 is for illustrative purposes only, merely disclosing the types of attachments which can be used, and forms no part of the claimed design. The broken line showing of the fishing line in FIGS. 6 and 7, and the water in FIG. 7, are for illustrative purposes only and forms no part of the claimed design.
1 Claim, 4 Drawing Sheets



United States Design Patent (10) Patent N (45) Date of

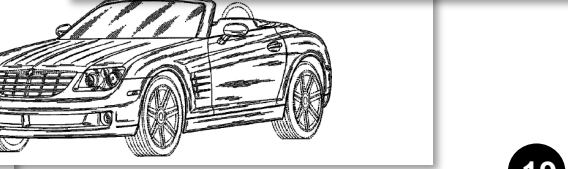
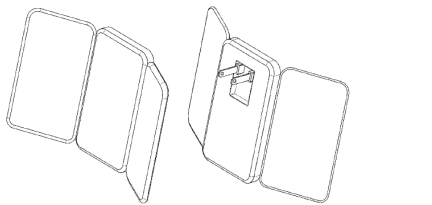
[54] **LEONMAN** [54] **LEONMAN**
FOREIGN PATENT DOCUMENTS
 50819 01/1991 Canada D202129
 010287 01/1996 France 0302109
 305383 11/1981 Germany
OTHER PUBLICATIONS
 North Trolls Playing Cards, Fuzler Corp., The Troll Co., Six Selected Cards 1992.
 The Washington Daily News, p. 8, Troll Doll, Toyer Industries, Inc., p. 209, Troll Dolls.
Primary Examiner—Doris V. Coles
Attorney, Agent, or Firm—Richard C. Linsen
 [57] **CLAIM**
 The ornamental design for a troll lure, as shown and described.
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 The broken line showing of the hook in FIGS. 1-5 and 7 is for illustrative purposes only, merely disclosing the types of attachments which can be used, and forms no part of the claimed design. The broken line showing of the fishing line in FIGS. 6 and 7, and the water in FIG. 7, are for illustrative purposes only and forms no part of the claimed design.
1 Claim, 4 Drawing Sheets

(12) United States Design Patent (10) Patent No.: US D747,682 S (45) Date of Patent: Jan. 19, 2016

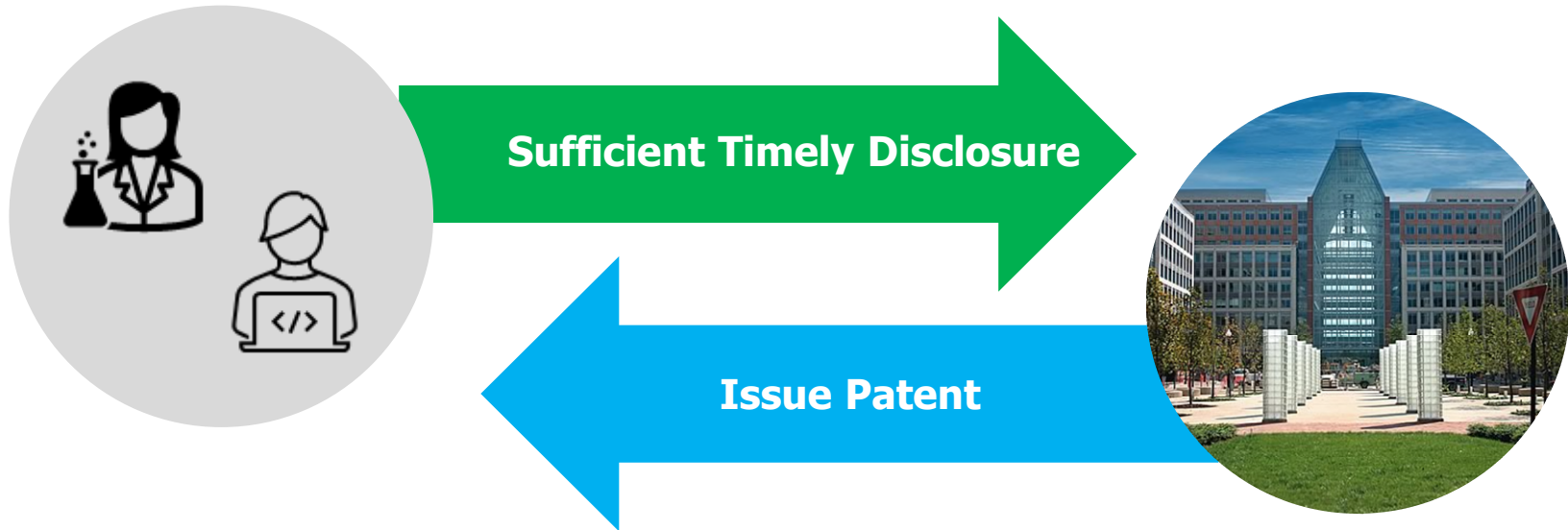
[54] **WALL-MOUNTED WIRELESS POWER TRANSMITTER WITH FOLDING WINGS** (85) **References Cited**
U.S. PATENT DOCUMENTS
 [71] **Applicant:** Michael A. Leabman, San Ramon, CA (US)
 [72] **Inventor:** Michael A. Leabman, San Ramon, CA (US)
 [73] **Assignee:** ENERGUS CORPORATION, San Jose, CA (US)
Term: 14 Years
 [21] **Appl. No.:** 29/498,690
 [22] **Filed:** Aug. 6, 2014
 [51] **LOC (10) Cl.:** D14/242, 240, 435.1, 357, 358, USPC D13/108; D14/240
 [52] **U.S. Cl.:** D13/108; D14/240
 [58] **Field of Classification Search:** D14/242, 240, 435.1, 357, 358, USPC D14/140-140.9, 155, 157, 159, 243, 348, D14/349, 351, 354, 355, D15/102-110, D13/118-119, B4, 109
CPC H04L 12/00; H03K 17/00; H04W 88/00; H04W 88/06; H04W 88/02; H04W 88/08; H04W 88/05; H04W 88/10; H04W 88/12; H04W 88/14; H04B 1/58; Y02F 90/14; Y02F 90/122; Y02F 90/126; Y02F 90/165; H02J 7/025; H02J 7/0042; H02J 7/0044; H02J 7/0045; H02J 7/0003; H02J 7/000; H02J 7/0011; H02J 7/0013; H02J 7/0054; H02J 7/0055; H02J 7/0057; H02J 2007/0062; H01J 38/14; H01R 13/6575; Y02F 60/10; Y02E 60/12; Y02E 60/122; Y02E 60/124; Y02E 60/50; H01M 2/02; H01M 2/022; H01M 2/0202; H01M 2/027; H01M 2/0212; H01M 2/0401; H01M 2/0222; H01M 2/0555; H01M 2/1066; H01M 2/105; H01M 2/202; H01M 2/204; H01M 2/206; H01M 10/44; H01M 10/46; H01M 10/465; H01M 10/482; H01M 10/425; H01M 22/0030; H01M 22/5076; H01M 22/5040; B60L 11/182
 See application file for complete search history.
Primary Examiner—Sanjeev Paul
Assistant Examiner—Eric L. Sophir, Dentons US LLP

(12) United States Design Patent (10) Patent N (45) Date of

[54] **AUTOMOBILE BODY** (85) **References Cited**
U.S. PATENT DOCUMENTS
 [71] **Inventors:** Andrew P. Dyson, West (US); Joseph S. Dehn, MI (US); David C. Mc Bloomfield, MI (US)
 [72] **Inventor:** Michael Leabman, San Ramon, CA (US)
 [73] **Assignee:** DaimlerChrysler Cor Hills, MI (US)
Term: 14 Years
 [21] **Appl. No.:** 29/201,094
 [22] **Filed:** Mar. 10, 2004
 [51] **LOC (7) Cl.:** D21/
 [52] **U.S. Cl.:** D21/
 [58] **Field of Search:** D21/
References Cited
U.S. PATENT DOCUMENTS
 D408,328 S * 4/1995 Ayoub et al.
 D465,436 S * 11/2002 Dehn et al.
 D477,661 S 7/2003 Stoddard et al.
 D477,253 S * 7/2003 Mizani et al.
 D483,696 S 12/2003 Howell et al.
 * cited by examiner



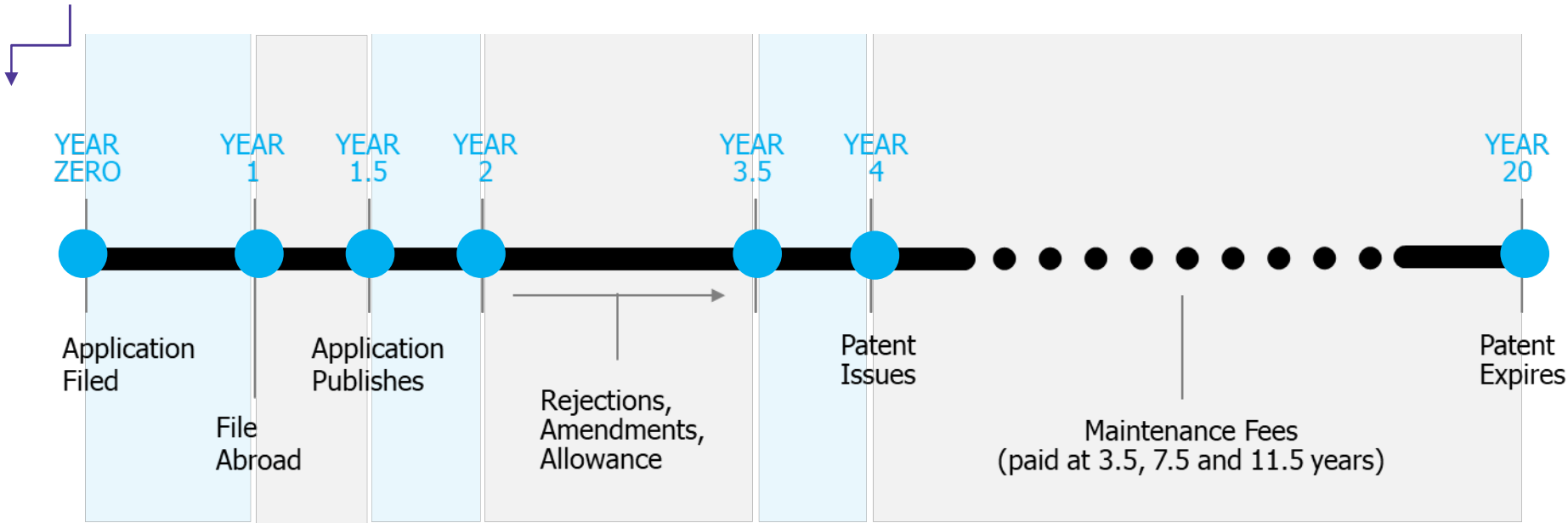
Obtaining a Patent - Quid pro quo



US Patent Office

Securing a Patent – US Timeline

Prior Art



Subject matter eligibility

1. Laws of nature, natural phenomena, abstract ideas
2. Practical implications
 1. Business solutions v. technological solutions
 2. Not: merely using computers as tools
 3. USPTO published guidance can be helpful



Enforcement

- Litigation in US District Courts, International Trade Commission
- Owners and Exclusive Licensees
- Challenges to validity and enforceability
- Knowledge of patent not required for liability
 - Importance of Freedom-to-operate program

Trademarks

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What is a Trademark?

Word

**Morgan
Lewis**

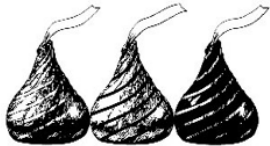
Logo



Slogan

***Nationwide is on
your side***

Shape



Color



What Can
Brown Do
For You?

Sound



Moving Image



Morgan Lewis

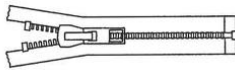
Spectrum of Trademarks

Least Protection

Most Protection

Generic

Bread
Shoes
Zipper



Descriptive

Sports Illustrated
American Airlines
Spray n Wash



Suggestive

Coppertone
Orange Crush
Greyhound



Arbitrary

Apple
Dove
Amazon



Fanciful

Kodak
Exxon
Xerox



Trademark Fundamentals

- Ownership: first to use in commerce as a designation of source of goods or service
- Right to exclude others from using same mark or similar mark that: 1) causes confusion; 2) creates false impression of relationship
- Federal and state registration options
- Duration can be indefinite if:
 - Consistent use
 - Enforcement
 - Control of licensees
 - Mark is not misused

Trademark Clearance Searches

Benefits of Searching Prior to Use:



Risk of infringing another's mark



Potential costs of changing name later



Chance of registration



Information regarding strength of mark

Trade Secrets



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What is a Trade Secret?

- Information (e.g., technical, business, financial information)
 - Not generally known or ascertainable by others
 - Owner derives independent economic value or business advantage from it not being generally known
 - Reasonable efforts to preserve its secrecy
- Territorial: US Federal law (Defend Trade Secrets Act - DTSA), State laws
- No registration process
- Can be perpetual

Risks to trade secret strategy

- Independent creation
- Reverse engineering
- Reliance on external resources
- Employee retention
- Over-reliance on confidentiality agreements

Copyrights



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What is a copyright?

- Type of intellectual property that protects original works of authorship as soon as the work is fixed to a tangible medium of expression
- Regulated by US Copyright Office
- What can be copyrighted?
 - Artwork
 - Advertisement Copy
 - Webpage Set-Up/Design
 - Product Manuals
 - Journal Articles
 - Software
 - Music
 - NOT: Public domain, US Gov't Works, Ideas, Facts, Useful Articles



Copyright: What rights?

- “Bundle” of Exclusive Rights of Copyright Owner
 - Reproduction (Copies)
 - Create Derivative Works
 - Distribution
 - Publicly Display or Perform
- Copyright protection begins when the work is created and fixed in a tangible medium.
- Term – depends on when it was created and by whom (e.g., author’s life + 70 years)
- Registration – voluntary but needed for enforcement

Copyright Ownership

- Creator of a work
- Exception: “Works Made for Hire”
 - If Employee creates work (within scope of employment), Employer owns copyright
 - Beware of Consultant Ownership - must assign rights
- Assignments must be in writing

Important considerations of an IP program

- Chain-of-title
- Registration v. reliance on common law protections
- IP provisions in agreements
- Awareness of risks and freedom-to-operate

Biography



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Ezra D. Church counsels and defends companies in privacy, cybersecurity, and other consumer protection matters. He helps clients manage data security and other crisis incidents and represents them in high-profile privacy and other class actions. Focused particularly on retail, ecommerce, and other consumer-facing firms, his practice is at the forefront of issues such as biometrics, artificial intelligence, location tracking, ad tech, and blockchain. Ezra is a Certified Information Privacy Professional (CIPP) and co-chair of the firm's Class Action Working Group.

Ezra advises clients on compliance with data privacy and cybersecurity requirements such as the California Consumer Privacy Act (CCPA), the Gramm-Leach Bliley Act (GLBA), including Regulation S-P, Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM Act) laws, the Telephone Consumer Protection Act (TCPA), the Fair Credit Reporting Act (FCRA), the Illinois Biometric Privacy Act (BIPA), the EU's General Data Protection Regulation (GDPR), and state data breach notification laws. He has particular experience with children's privacy issues and has worked extensively with on educational technology firms and mobile app and game developers in connection with the Children's Online Privacy Protection Act (COPPA), the Family Educational Rights and Privacy Act (FERPA), and numerous state law regarding education privacy. Ezra has assisted hundreds of multinational companies with advice, planning and connections with GDPR and the Privacy Shield for data transfers to and from the United States to EU countries. He has advised on privacy and security issues related to cutting-edge technologies including facial recognition, voice recognition, iris and retinal scanning, artificial intelligent and machine learning, ad tech, location tracking and employee monitoring, and blockchain. He is a Certified Information Privacy Professional with the International Association of Privacy Professionals. He writes and speaks frequently on privacy and data security and has lectured on privacy law at Rutgers University Law School.

Biography



Kenneth J. Davis

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kenneth.davis@morganlewis.com

Kenneth J. Davis develops strategies for securing and enforcing intellectual property rights for clients in the mechanical, electrical, and life sciences sectors. A co-leader of the firm's Intellectual Property Consumer and Manufactured Products Working Group, Ken advises startups, multinational corporations, and research organizations with technology interests in orthopedic and drug delivery devices, consumer products, automation and artificial intelligence, clean energy, infrastructure and industrial equipment, materials handling, packaging, food and beverage, financial services, and industrial design.

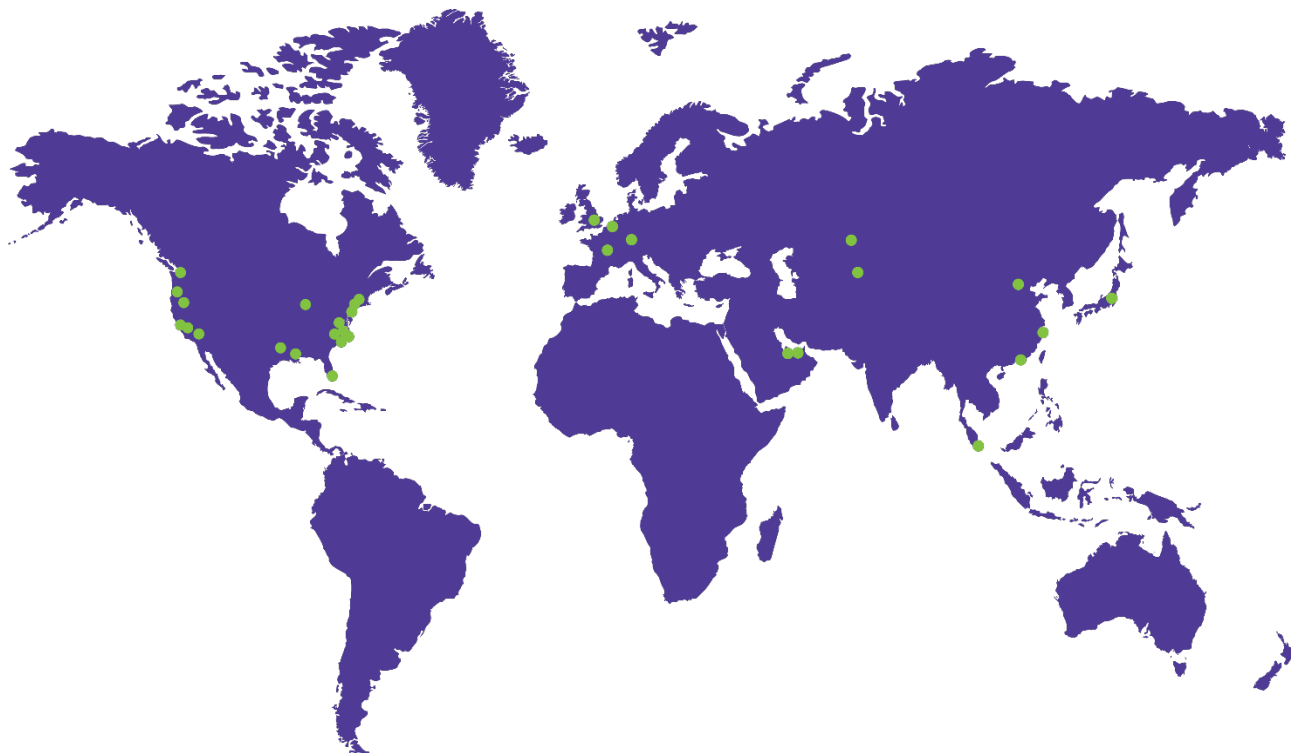
Ken prepares and prosecutes patent applications, develops offensive and defensive strategies for active and potential litigation, conducts freedom-to-operate and due diligence assessments, and advises clients in the acquisition and transfer of intellectual property rights in the context of external innovation, joint development, licensing, and corporate transaction.

Our Global Reach

Africa
Asia Pacific
Europe
Latin America
Middle East
North America

Our Locations

Abu Dhabi
Almaty
Beijing*
Boston
Brussels
Century City
Chicago
Dallas
Dubai
Frankfurt
Hartford
Hong Kong*
Houston
London
Los Angeles
Miami
New York
Nur-Sultan
Orange County
Paris
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Pittsburgh
Princeton
San Francisco
Seattle
Shanghai*
Silicon Valley
Singapore*
Tokyo
Washington, DC
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Additional Materials: Registered vs. Unregistered IP

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Registered v. Unregistered IP

- Registered IP:

- Trademarks
- Copyrights
- Patents
- Domain Names

Unregistered IP:

1. Common Law Trademarks
2. Proprietary Technology/ Software
3. Other Copyrightable Subject Matter
4. Trade Secrets
5. Social Media Handles

Copyright Registrations

- Not required for protection, but required for litigation
- Benefits of Federal Registration:
 - Notice to third parties
 - Presumptive evidence of validity of copyright
 - Potential for statutory damages and attorneys' fees/court costs

Patent Registrations

- Benefits of Federal Registration:
- Prevents theft of the invention
- Higher profit margins (the ability to exclude others reduces the supply of the product or process in the marketplace)
- Reduce competition (may serve as a barrier to entry for competitors)
- Expanded market share (may be licensed to others in a different market (e.g., geographical))

Patent Application Timeline

- Pre-Application Process
 - Conception
 - Reduction to practice
 - Diligence
 - Discussion with third parties prior to filing
- Invention Disclosure Form
 - Describe invention using information in laboratory notebook as support
 - Identify and describe prior art
 - Advantage over prior art
 - Sample invention disclosure form
- Patentability Analysis
- Generally takes 30-60 days to prepare and file a patent application

Patent Application Timeline (cont'd)

- Filing Process – Example
 - July 1, 2020
 - File patent application (provisional or non-provisional)
 - July 1, 2021 (12 months)
 - File non-provisional and international applications (PCT)
 - January 1, 2023 (30 months)
 - File national phase applications based on PCT
- Filing process begins prosecution before patent office(s)
- Depending on Art Unit at least 2-3 years after filing until issuance of enforceable patent

Licensing & Commercialization of Business Ideas

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Licensing & Commercialization of Business Ideas

- Three common situations:
- Where your company is the recipient of services.
- Incoming licenses, where your company is licensing certain rights.
- “Strategic Collaborations” where both sides are providing valuable intellectual property.

Standard Services Agreements

- The company purchases services from a third party and the third party develops work product in connection with the services.
- Unless there is a specific deal to the contrary, the third party should own its “background technology” but should allow the company to own the work product otherwise.
- Be careful of definitions, especially “modifications and improvements” language that is baked into the definitions.
- For fallback positions on less sensitive work product, can try: (1) a license back to the work product, or (2) ownership by the provider with a broad license for the company to use the work product.

Incoming License Agreements

- The company purchases a software or other licensed product from a third party.
- Typically, the third party should own all of its technology but should license its technology pursuant to certain terms and conditions (seat licenses, term license, enterprise license).
- Key issues are (1) making sure that “foot-faults” do not terminate our license rights, (2) ensuring that the grant is broad enough to achieve our goals, and (3) that the counterparty actually has the rights to license its products.

Strategic “Collaboration” Agreements

- The most tricky style of agreement. I call them “Power Point Deals” because the worst versions are the ones that the “term sheet” is a Power Point presentation.
- Most important concepts:
 - Exclusivity (ugh)
 - IP ownership (note if you are reading this after the presentation...joint ownership = ugh)
 - Tacit right to terminate
 - Agreements to agree (marketing, development, commercialization)

IP Due Diligence

The background of the slide is an abstract composition of vibrant, blurred streaks in shades of red, blue, and purple, creating a sense of motion and depth. The streaks originate from the left side and fan out towards the right, with some appearing as sharp lines and others as soft, glowing bands.

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IP Due Diligence - General

- Chain of title of IP/Ownership
- Scope
- Validity
- Rights of use
- Infringement

Importance of a Tailored Plan

- Nature of transaction
- Acquisition: share vs. asset; public vs. private
- Equity investment
- Collaboration: in-license; out-license; partnering

- Focus early on business objectives and value
- Importance of IP to business objectives
- Relative importance of specific categories of IP
- Determination of useful life of assets involved in deal

Importance of a Tailored Plan (cont.)

- Time/budget constraints
- Competitive auction vs. exclusive negotiations
- Role of in-house counsel

- Acquiring less than entire business or contemplating post-acquisition divestitures?
- Focus early on whether IP can feasibly be split

Importance of a Tailored Plan (cont.)

- Information available on public vs. private company
 - SEC and other public filings
 - Industry-specific filings/correspondence (e.g., FDA)
 - Discussion with and reliance on target's IP counsel and technical personnel

- Privilege issues
 - IP opinions
 - Buyer (investor syndicates)

IP Diligence – Trademark Issues

- Pending/Registered

- Refusals, oppositions, cancellations
- Chain of title
- Outstanding security interests
- Maintenance deadlines
- Jurisdictional coverage

- **Unregistered**

- Is there a reason the Company has not sought registration?
- Clearance searches
- Geographic area, length of use
- Similar third party use
- Use of third party marks (e.g., partners, customers)
- Compliance with co-existence and settlement agreements
- Status of disputes

IP Diligence – Copyright Issues

- Pending/Registered
 - Chain of title
 - Outstanding security interests
- Moral rights (outside U.S.)
- Identify material unregistered copyrightable subject matter
 - If proprietary software is a key asset, consider open source issues
- Development of unregistered copyrightable subject matter
 - Differences between employee and contractor development under U.S. law.

IP Diligence – Patent Issues

- Patentable technology that is not currently the subject of a pending or issued patent
- Freedom to operate searches
- Chain of title, including inventor assignments
- Outstanding security interests

IP Diligence – Trade Secret Issues

- Protection (policies, procedures, executed nondisclosure agreements, physical security measures)
- Notice requirements under the DTSA

IP Diligence - Agreements/Licenses Issues

- Identify issues affecting value:
- Scope and transferability of IP licenses
- Sufficiency of IP licenses for future operations
- Impact of existing encumbrances on IP
- Quality control in trademark licenses
- Lurking franchises
- Registered user filings
- Intercompany licenses
- Enterprise agreements

Existing Litigation/Latent Litigation

- Identification and assessment of infringement risks (including pending litigation)
- Pending litigation, claims, disputes
- Past litigation, claims, disputes
- Challenges in identifying potential claims