

Intellectual Property

Protection & Technology Transfer in the U.S. and Internationally

What are IP Rights?

How are IP Rights Acquired?

How are IP Rights registered?

How are IP Rights Enforced?

How are IP Rights Licensed?

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Converting Information to Advantage

- Identifying the foundation technology.
 - Client interviews.
- Surveying the terrain/competitors.
 - Competitive monitoring
 - IPR searches
- Developing a strategy.
 - Identifying business goals, financing
- Securing IP rights.
 - Domestic and international
- Converting rights to riches.
 - Licensing, Enforcement of Market

What is Intellectual Property?

- Patents www.uspto.gov
- Trademarks www.uspto.gov
- Copyrights www.lcweb.loc.gov
- Trade Secrets
- Know-How

What is a patent?

- The right to exclude, not to use
- From making, using, selling, importing
- the claimed invention
- for 20 years from filing an application for patent
- A technology asset recognized by the financial community and useful for raising capital
- two years, \$10,000-\$30,000
- A tool for corporations to define markets
- A tool for Universities to raise money

What is patentable?

- Compositions
- Devices
- Processes
- Improvements
- Plants
- Designs
- Prozac
- Segway Human Transporter
- Edison's improved carbonized filament

Patent application vs. Draft Journal Article

- Patent
 - Technical and Legal
 - Inventors only
 - Abstract
 - Background
 - Summary/Claims
 - Drawings
 - How to Make and How to Use
 - Examples
- Manuscript/Scientific Publication
 - Primarily technical
 - Contributors (Inventors +)
 - Abstract
 - Background
 - Materials & Methods
 - Results
 - Discussion
 - Acknowledgements
 - References

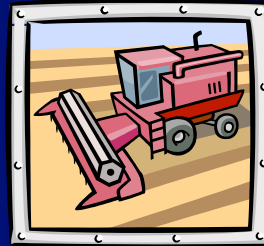
Secrecy

- Confidentiality Agreement vs. Patent
- Disclosure to public:
 - General Rule: **Disclosure Kills**
 - U.S. Exception: 1 year grace period
 - EP, JP Exception: 6 mo., research, not published, small groups (never relied upon)

Patent Searches and Competitive Activity

- Identify foundation technology.
- Interview Inventors.
- Survey the terrain/competitors.
 - Competitive monitoring
 - IPR searches
- Identify business goals
- Develop an IP strategy for the portfolio.

Claims define the property



The USPTO – Patent Overview

- Groups, Art Units, SPE's, Primary Examiners, Counts, Interviews
- Time Periods, Events, Costs:
 - Invent, Search, File Application (\$4000-\$17000)
 - 1 month= USSN;
 - 9 mos.=Restriction/Search (\$300)
 - 12 mos.=Office Action (101,102,103,112) (\$150)
 - 15 mos. Interview, Response (\$2000-\$5000)
 - 18 mos. Notice of Allowance, Pay Issue Fee (\$1200)
 - 21 mos. Grant (\$300)

Business Strategy

- Portfolio Approach
- Equity Financing
- Goals:
 - Targeted Licensing
 - Litigation management/cross-licensing
 - Define, enforce markets for monopoly

Raising Capital

- Federal Grants
- Venture Capitalists,
 - Usually require animal data
- Foundation Grants
- Friends and Family
- Incubator Facilities
- Corporate Partnering
- Law Firm Funding

Trademarks

- Protects use of a mark on goods or services in commerce
- Any word, symbol, color, sound, packaging
- Scope of rights by breadth of description
- ITU vs. actual use
- Lasts as long as it is used
- Federal vs. State vs. senior/junior user

Copyrights

- Any work of authorship fixed in tangible form
- Life plus 70 years for persons
- For Hire, Anon, Pseudonym, <95/120 years from pub./creation
- lcweb.loc.gov
- Reproduction, distribution, derivative, performance, display
- © 2002 Todd Juneau
- Music, art, film, sculpture, architecture, hull designs, software, books, dance
- NOT: Titles, names, short phrases, and slogans; familiar symbols or designs; mere variations of typographic ornamentation, lettering, or coloring; mere listings of ingredients or contents

Trade Secrets

- Any information, which gives a business advantage, for which reasonable measures have been taken to keep it secret, and is not generally known
- Private remedy in State Court only, FTSA
- Can last indefinitely
- Examples: KFC, Coca-Cola, Chanel No. 5, Benedictine Liquor
- Cost: locks, TS program, training, badges

Enforcement

- Patents:
 - \$20,000-\$50,000/mo.
- Trademarks
 - \$5,000-\$20,000/mo
- Copyrights
 - \$5,000-\$20,000/mo
- Trade Secrets & Confidentiality Agreements
- Enforcement is an interesting question

Patent Infringement

- \$50,000 per mo.
- Must infringe each and every limitation of one of the claims
- Equivalents only for unamended claims
- Lost Profits, triple damages and attorney fees for willfulness
- Novelty, Fraud defenses
- Re-exam and reissue to correct patent
- Interference to determine first inventor
- ITC
- EPO Opposition

Trademark Infringement

- Use of any mark in connection with any goods or services
- Likelihood of confusion
- Consumer survey
- Channels of trade, speed and care of purchase, look and feel of mark
- Opposition Proceedings
- Cancellation Proceedings

Trade Dress Infringement

- Same as trademark, any unauthorized use of dress on any goods or services which is likely to cause
- So long as asserted trade dress
 - (1) is not functional,
 - (2) is inherently distinctive or has acquired distinctiveness through a secondary meaning, and
 - (3) is likely to cause **confusion** with the defendant's products

Copyright Infringement

- Any copying, distribution, derivation, display, perform, etc.
- Injunction, impound, damages, attorney fees, criminal
- Actual/Profit OR Statutory \$750-\$30,000 per work, \$150,000 if willful

ITC

- Patent Trials
- 1 year, full trial
- \$1 million+
- Exclusion order is remedy
- Staff attorneys
- Likelihood of material injury to domestic industry
- Trademark/Gray Market Trials
- Any material difference between import and domestic = dilution of mark
- E.g. Lladro (no, same) vs. Perugina (yes, lesser quality)

Finding Technology

- “In-house”
 - aka Is your Professor really your CEO?
- “Out-sourced”
 - Formalized transfer to the commercial section of new discoveries and innovations resulting from scientific research conducted at universities

Bayh Dole Act, 1980

- Royalties earned by academic institutions are reinvested in the University
- new opportunities for graduate students, buy research equipment, or fund new research
- pay for a portion of the legal fees associated with patenting and licensing as well as technology management staff
- portion of the revenues is shared with the university inventor

University Licensing

• Name	R&D (millions)	# of patents	# of start-ups
• U of Washington	\$528	34	25
• MIT	\$713	134	17
• Stanford	\$391	64	15
• Univ of CA. System	\$1,580	206	13
• Penn.State	\$353	19	9
• Cal. Tech.	\$153	40	9
• Rutgers	\$154	25	7

Tech Transfer

- Prior to 1980 - <250 patents per year
- Sample Year 1999
 - 3,914 new license agreements
 - 417 new product introductions
 - 18,617 active license agreements
 - \$35 billion in sales of licensed items

Technology Transfer

- Drug Development
 - \$500 million/drug to develop
 - 12-15 years from lab to approved drug in U.S
 - Drug Development failure rate is high (1 in 5-10,000)
- Medical Device, Diagnostic, Kit Development
 - Generally less expensive to develop
 - Faster to approval

Big Winners

- Michigan State University, \$160 million, two cancer-related patents (Blumenstyk 1999)
- University of Florida \$37 million, Gatorade
- Iowa State University \$27 million, fax algorithm
- Stanford University, \$143 million, recombinant DNA gene-splicing patent, Odza 1996

International Protection

- Paris Convention for the Protection of Industrial Property
- Patent Cooperation Treaty (PCT), WIPO
- Madrid Trademark Protocol
- Berne Convention
- Special 301 IPR
- ITC Sec. 337

Europe

- EPO
 - Novelty, Inventive Step, Clarity, Industrial Use
 - First to File, no medical use claims
 - Registration only, need to perfect in each member country
 - Opposition at EPO
 - Validity, Enforcement locally
 - AT, BE, DK, DE, ES, FI, FR, GR, IE, IT, LU, MC, NE, PT, SE, CH, TR, UK

Japan

- Japan
 - Novelty, Inventive Step, Industrial Applicability
 - First to File, no medical use claims
 - Opposition, validity at JPO

Major non-U.S. markets

- Canada
 - First to file
 - Novelty, limited exam
- Israel
 - First to file
 - Novelty, Optional exam
- Mexico
 - First to file
 - Novelty, limited exam
- Taiwan
 - First to file
 - Two-phase exam
 - Amendable application
- India
 - First to file
 - Black-box, 7 year patent
- China
 - First to file
 - Limited exam, good scope

International Organizations

- ASTP
 - European based tech transfer organization
 - new German law requiring inventors to assign rights over to University (2/02)
- AUTM
 - U.S. based
 - Licensing expertise, training
- LES
 - International, 50/50 University, Corporate



Thank You

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