

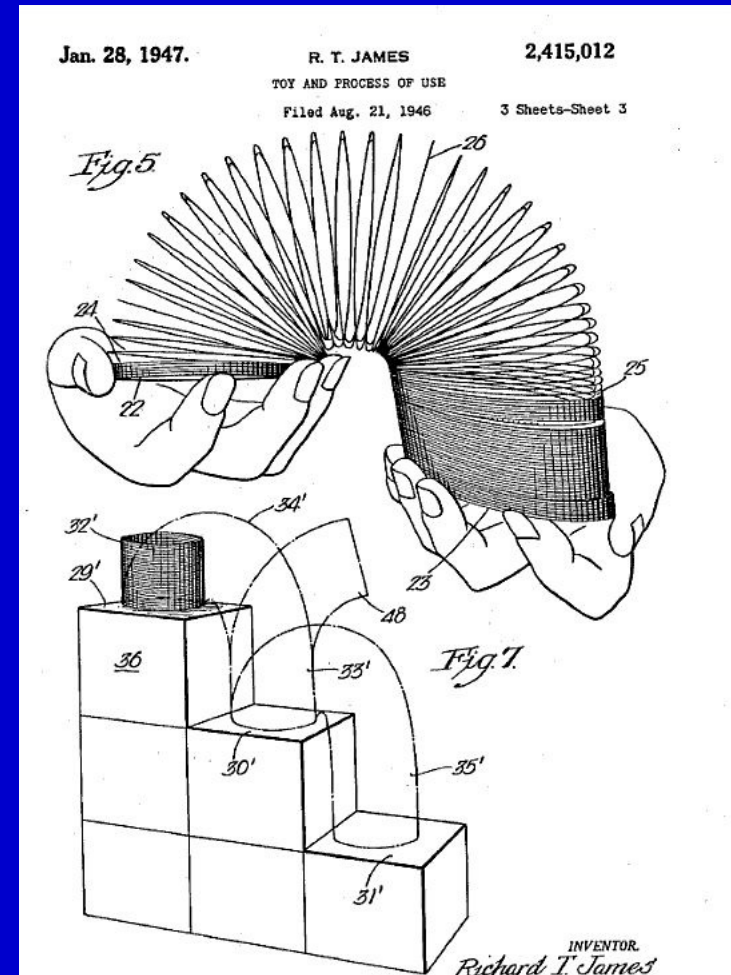
Protecting Intellectual Property

Patents

Trade secrets

Patent

An intellectual property right granted by the government to an inventor to exclude others from making, using, selling or importing the invention for a limited time, in exchange for public disclosure of the invention. See www.USPTO.gov.



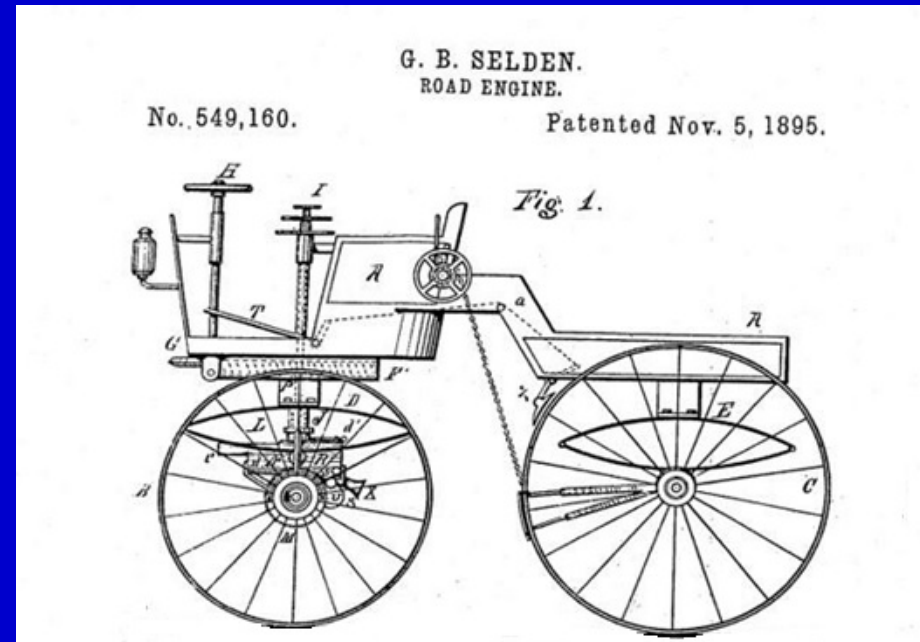
Patents are assigned for 20 years

To be granted, the product, process or software

“Must be sufficiently different from what has been used or described before that it may be said to be non-obvious to a person having ordinary skill in the area of technology related to the invention.”

Law changed in 2013

As of 2013, patents are now granted to the “first to file” for a patent (not the first to invent).



Protecting your idea prior to patenting

1. Limit exposure
2. Do not divulge secret sauce – discuss benefits, not the “how”
3. Use NDAs when possible
4. Ask employees and contractors to assign all rights to you

What is this a dramatization of ?

1. Who is the character seated second from right on the near side?
2. What should the Winklevoss twins have done to protect their idea?



To Patent or Not to Patent

REASONS TO PATENT

1. Build investor confidence
2. Discourage knock-offs
3. Prevent someone else from patenting product – and then precluding you from making or selling it

REASONS NOT TO PATENT

1. A “First-Mover Advantage” may be just as effective in discouraging copycats; and less expensive.
2. Your product has a “secret sauce” that is easier to protect by just keeping it hidden
3. The product’s marketable lifespan is less than the time it takes to obtain a patent
4. If someone violates your patent it could cost \$500,000 or more to try to defend it in court.

*“Intellectual Property has the
shelf life of a banana.”*

-- Bill Gates

Where to Start

1. Make sure the idea is not already patented (you have the right to make it).
Search www.Patents.Google.com
2. Obtain quotes from attorneys.
3. Decide if it is worth the time, effort and expense to *attempt* to obtain a patent
4. Select the type of patent to file (there are 3)

Types of Patents

- a. **Provisional.** A temporary patent. A standard utility patent must be filed within 12 months.
- b. **Utility (Non-Provisional).** A “full patent.” Granted for 20 years.
- c. **Design** (for a new, original, and ornamental design for an article of manufacture).

Trade Secret

An alternative to a Patent.

Information about the product or process is NOT filed with the government, as then it would be available to the public and, well, then no longer a secret.

The common law behind the concept is that if you literally had a secret sauce, you could take legal action against someone who sells the identical sauce if you can prove they would have had to obtain the information illegally.

Proving secret could have been obtained only surreptitiously

Document that you had a *formal procedure* to prevent disclosure of the trade secret. Proof of your safeguarding procedures might include:

- Security at business office and manufacturing location
- Procedures to keep vital information under lock and key
- Non-disclosure agreements with employees and suppliers

A patent is more expensive, but as a government document it is easier to defend in court than a Trade Secret claim.

