

## ADDITIONAL IP LITIGATION AND PORTFOLIO MANAGEMENT TIPS

### ABOUT THE FIRM

At Harness Dickey, intellectual property law has been our singular focus since we were founded nearly a century ago. The firm's experience includes almost every imaginable scenario pertaining to patents, trademarks, service marks, copyrights and trade secrets on a global scale. Our clients include some of the most recognized companies and creative leaders of today. We help them succeed in the marketplace, in the boardroom and before the judicial system.

Whether our client is a Fortune 100 company with vast domestic and international IP holdings or a regional entrepreneur seeking to protect the idea on which his or her company was founded, we take great pride in delivering advice that is practical, strategic and timely, and in devising creative solutions that other law firms might never think of. We work tirelessly with our clients to balance protecting their innovations and brands globally, while at the same time defending their right to leverage their assets across even the most cutting-edge industries.

### #5: Consider Challenges to Patents Before the Patent Trial and Appeal Board

In an effort to decrease the costs required to challenge a patent, Congress has created several options for challenging patent validity at the United States Patent and Trademark Office. For example, Inter Partes Reviews (IPR) have been wildly popular since they were instituted about five years ago. Relatedly, Post Grant Review (PGR) is also available for newly-issued patents. Finally, Ex Parte Reexamination is available as a lower-cost, but more disadvantageous alternative to IPR and PGR.

In all three of these proceedings, issued patents are, essentially, reconsidered by the Patent Office in view of prior art and, in most instances, expert testimony. The comparatively reasonable cost of these litigation alternatives provides a tantalizing incentive to pursue such actions. Among the three, IPR has become the most popular patent challenge for several reasons: 1) PGR is only available for the first 9 months of the term of a patent; 2) IPR has a more limited estoppel effect than PGR; 3) there is a much more limited opportunity to amend in IPR versus reexamination; 4) you have greater input and, therefore, greater control over the arguments in IPR versus reexamination; 5) IPRs will only last 18 months versus a much more indeterminate and longer proceeding for reexamination; 6) IPRs can be settled, while reexamination proceedings will always proceed to a conclusion; and 7) the body of law that has been developed in the five years of IPR proceedings has been decidedly pro-patent challenger. More information about IPR practice can be found on our blog at <http://www.ipr-pgr.com>.

### #6: Employee Agreements Ensure Your IP Rights Won't Walk Out the Door

Strong employee agreements that set forth specific standards and obligations are crucial for avoiding problems when employees leave your company. Employee agreements deal with these main issues:

- Trade secret protection
- Ownership of inventions and inventorship rights
- Reasonable covenants not to compete
- Restrictive covenants that can slow or hinder a former employee's movement to a competitor

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Well-written confidentiality agreements will avoid unnecessarily long confidentiality periods. Employers should also ensure that agreements give them the right to protect employee inventions if the employee-inventor should ever become uncooperative.

### #7: A Trademark Monitoring Program Can Catch Infringers Early and Bolster the Strength of Your Marks

Trademarks owners have an obligation to police their marks and take action to abate instances of infringement. Once a mark ceases to identify products or services emanating from a single source or company, the infringer effectively compromises the mark. Thus, trademark owners should conduct periodic market and Internet searches. Even if nothing is found, a documented effort to periodically police your marks can provide important evidence in a future lawsuit.

### #8: Have You Forfeited Damages By Failing To Mark?

To obtain past damages for patent infringement in the U.S., patent owners must put infringers on notice of their patent rights. One way to accomplish this is by providing an actual notice to a potential infringer by, for example, mailing them a letter. Another means of placing potential patent infringers on notice is through "constructive notice." This merely requires the patent owner to put the patent number on any product covered by the patent. This is a simple requirement that companies of all sizes often overlook. There are several ways to accomplish this task, including embossing the number on the product or packaging or even by applying adhesive labels. Additionally, companies can add the word "patent" on the product along with a URL address of a free, publically accessible website that associates the patented article with the number of the patent. Failure to add such markings can impede any claim to past damages.

### #9: Competitive Analysis

Using practical analysis can highlight trends in your research and development efforts as well as those of your competitors. Monitor your competitors to avoid conflicts with their products, and use periodic analyses to see where their technology is moving and potentially head them off at the pass. Businesses can also obtain various levels of analysis from published patent applications, issued patents and available software tools. Certain software platforms can even alert you when a company is "getting close" to your technology.



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### #10: Consider Design Patent Protection

The laws relating to design patents are now stronger than ever. Previously, to prove infringement of a design patent, a plaintiff had to prove that an "ordinary observer" would confuse the patented design with the allegedly infringing design ("Ordinary Observer" test) and the allegedly infringing design incorporated the novel features of the patented design ("Point of Novelty" test). In a recent court decision, the test now only requires the Ordinary Observer test – a change that many believe makes it easier to prove design patent infringement.

In addition to design patents now being more valuable in light of this lower burden of proof regarding infringement, design patents have other advantages that businesses often overlook. For example, design patents are much less expensive to obtain than utility patents. Unlike with utility patents, a successful plaintiff has the option of measuring its damages based on the defendant's profits. This provides valuable leverage to successful design patent infringement plaintiffs when compared to the measures of damage available in cases of utility patent infringement.

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With our 10 strategies, your IP portfolio will add significant value to your company's bottom line. While this value can be sometimes hard to quantify, experience dictates that wisely spending your IP dollars will better protect IP assets and grow market share.



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