

INTELLECTUAL PROPERTY

# IP Strategies

## Startup Day

26 September 2018

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## P&TS Intellectual Property



Zürich



Neuchâtel



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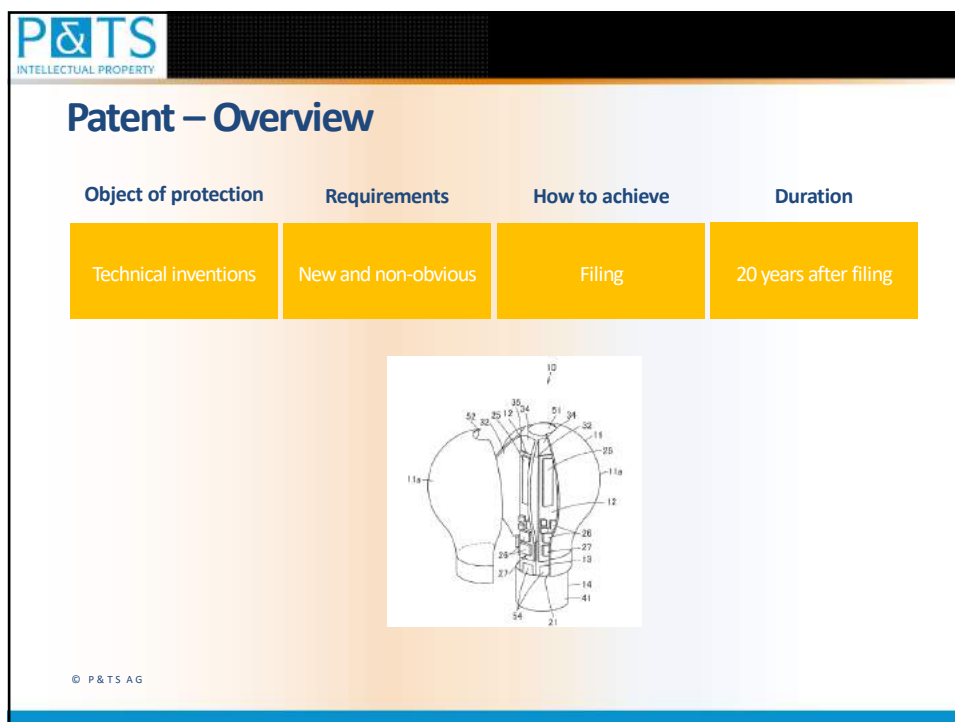
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## Patent – Patentability

- **Novelty** – Your invention was not publicly available anywhere in the world **before you filed your patent application**.  
 Even your own publications destroy novelty! Hence, you must file a patent application before you publish details of your invention!
- **Inventive step** – The features of your invention which make it **different to** existing technology, must not be “**obvious**”.
- **Legal exclusions** - Your invention must **not fall within one of the legal exclusions** from patentability (e.g. methods for doing business; surgical procedures etc.)

\*only few countries have grace periods of 6/12 months against own publications (like USA or Australia)

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## Patent - Where to file?

- Countries where **main markets exist** (e.g. US, EP + JP - close off main markets/potential markets → remove incentive for competitors → effective world wide protection)
- Countries where **main competitors exist** - direct obstacle to prevent competitors from making invention
- Consider different types of patent applications available
  - **National patents** (e.g. Swiss patent)
  - **Regional patents** (European Patent – Common grant procedure for 38 European contracting states)
  - **International PCT Patent Application** -Common filing, search and publication for all contracting states (152 countries!); there is **no grant** of an international PCT patent application - Individual National & Regional Patents Granted

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## Patent - When to file?

- Most important to file **before you 'publish'** details of your invention! ("publish" means **any non-confidential disclosure** e.g. disclosing the invention to somebody who is not bound by confidentiality; publishing in scientific paper; publishing on your company internet website; selling **or offering for sale** a product which contains your invention; displaying your invention at a conference or trade show)
- **Don't need to have a working prototype** to file a patent– but do need to know how to implement the core feature of your invention correctly.
- **Is it ok to disclose to potential investors before I file a patent?**
  - Investor must be bound by confidentiality - can use NDA but unreliable.
  - Better to file patent application first. (\**conflict of interest: need investment to cover costs of filing patent application!*)

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## Patent – Common situations 1

1. No funds to cover costs of filing a patent application
2. Need to disclose details of invention to investor in order to obtain financing
3. Non confidential disclosure of details of the invention before the filing date of the patent destroys the possibility for that patent to be granted (& relying on NDA can be unreliable.)

**How can I safely disclose the details of my invention without jeopardizing my chance to get a granted patent for my invention; and without the risk that the investor will steal my invention?**

**SOLUTION:**  
Filing strategy which relies on the concept of priority: file a low cost provisional application (anywhere) before disclosing to investor; then within 1 year file full application (e.g PCT application) claiming priority to the provisional application after you have received funding.

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## Patent – Common situations 2

1. You have already developed the core concepts of your invention but subsidiary features are still in development; and you are worried that competitors will file a patent before you have complete development of subsidiary features.

*I want patent protection for my invention - but I am afraid that my competitor will file for a patent before me while I am developing – what should I do?*

**SOLUTION:**  
Filing strategy which relies on the concept of priority: immediately file a provisional application (anywhere) covering the **core concept** of your invention; then within 1 year complete development of invention and file full application (e.g. PCT application) claiming priority to the provisional application containing details of the **core concept + developed features**

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## Design – Overview

| Object of protection            | Requirements                 | How to achieve | Duration              |
|---------------------------------|------------------------------|----------------|-----------------------|
| Aesthetic appearance of product | New and individual character | Filing*        | 25 years after filing |

\*in some countries (e.g. EU) unregistered design rights by publication in this country, but protection lasts only 3 years

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## Design – Strategy

- Suitable to protect products which do not have a new technical advancement (cannot be patent protected), but which have a unique appearance
- Product should satisfies requirements for design registerability: (a) New design; (b) Individual character (different overall impression on person); (c) not within legal exclusions (e.g. features which are not visible in end product; features being only technical etc.)
- Grouping of design applications possible – for different designs for same category of product (reduces costs)
- Good protection for the appearance of key design features, but **no protection for functionality**
- Fast registration and low cost
- Up to 25 years of protection (longer protection than patents – 20 years)

\*at least in most countries (e.g. in the USA examination of infringement of design rights of third parties)

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## Trade Mark – Overview

| Object of protection                              | Requirements                               | How to achieve | Duration  |
|---|--|----------------|-----------|
| Name/Sign indicating origin for a product/service | Distinctive for registered product/service | Filing*        | Unlimited |



for IP services






\*In some countries (e.g. Germany, USA) unregistered trademark rights under certain circumstances; UK also provides a form of unregistered protection provided that you have used your trade mark and built a reputation under the trade mark.

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## Trade Mark Types

Any sign being **graphically representable** and **capable of distinguishing the origin of goods**

- **Word mark** (APPLE, VICTORINOX, GUCCI,...)
- **Figurative mark**
- **Figurative mark with text**

- **3D mark**

- **Movement mark**

- **Colour mark per se**

- **Sound mark**

- **Catch phrase "I'm lovin it"**

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## Trade Mark – Strategy

- Choose **original names** (i.e. distinctive) and **not descriptive** of product/service
- Cover **relevant classes**
- Use **'TM'** marking when pending and **'R'** marking after registration
- **Use** the Trade Mark in the form **identical** to your registered trademark and for **goods and service** for which it has been registered (beware of **modernization!**)
- Periodically collect **proof of use** of Trade Mark
- **Surveillance** of market for potential Trade Mark infringement (**Identical** signs with **identical** product/services; or **similar** signs with **similar or identical** products/services + there is a **risk of confusion**)
- Take **actions against infringers** to avoid: (a) **acquiescence** and (b) Trade Mark becoming **generic** (e.g. WALKMAN)

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## Copyright – Overview

| Object of protection             | Requirements                             | How to achieve                  | Duration                           |
|----------------------------------|--|---------------------------------|------------------------------------|
| Text, Artistic work and Software | Original and results from Author's skill | Automatic with creation of work | 50/70 years after death of creator |













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## Copyright – Strategy

- Original artistic work (including software code) is automatically protected by copyright from date of creation.
- Scope: Protection against **1-to-1 copying** of artistic work/software code (**difficult to prove!**)
- ⚠ Software functionality (i.e. the method/process performed by software) can only be protected by a patent!
- To enforce copyright against a third party need to prove **1-to-1 copying**, **date of copyright** (i.e. date artistic work/software code was first created) and **ownership**:
  - Good documentation –keeping secure record; dating work; name of creator; © marking
  - Deposit in external depository which provides time stamp
  - Deposit in a blockchain <service available on P&TS website>
- Duration: 75 years after death of creator (for software 50 years)


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## Trade secrets - Overview

| Object of protection   | Requirements   | How to achieve   | Duration                                  |
|--|--|--|---|
| Information/<br>Technology (which<br>provides some<br>advantage) | Must be able to keep<br>secret & cannot be<br>reverse engineered | Take steps to ensure<br>secret is maintained<br>confidential | Unlimited (until secret<br>becomes known) |



- Example: "Software code" which achieves some **advantage** + which is **inaccessible** to end-user + which cannot be easily **reverse engineered**.
- Other examples include "Library content", "Database content", "manufacturing parameters" which are not available to end user etc.


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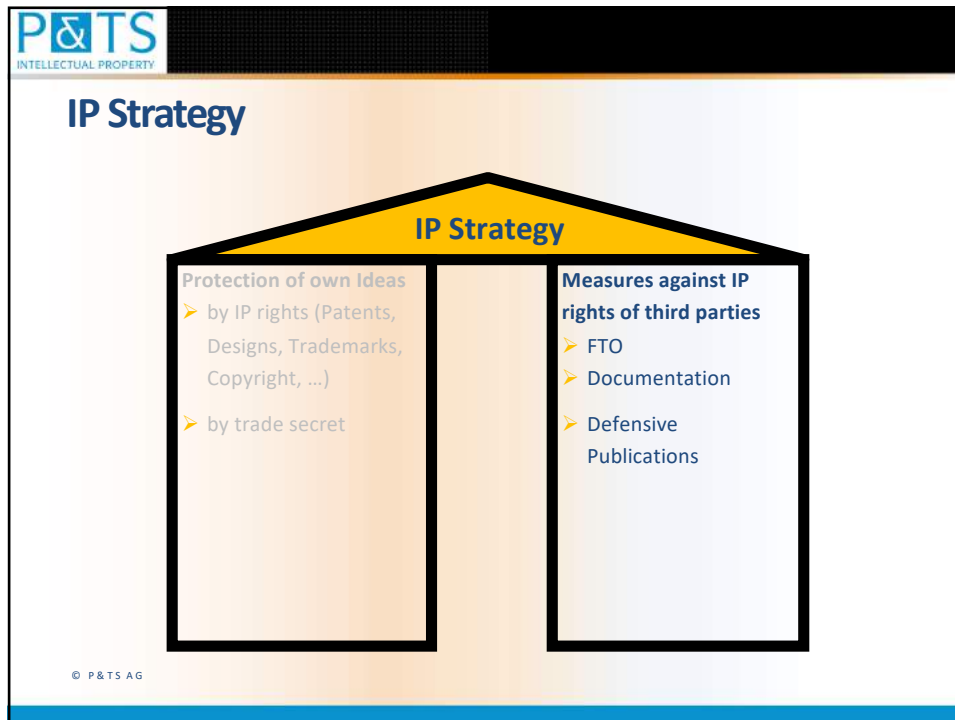
## Trade secrets - Strategy

- **Protection by secrecy ≠ Doing nothing !!**  
Measures must be taken to prevent trade secret information becoming known.
  - Stringent data security - make secret information inaccessible (e.g. making software code inaccessible to end user)
  - Scrambling/encoding secret software code
  - Confidentiality clauses for employees and third parties
  - Non-disclosure agreements (beware NDA's are not fully reliable!)

Trade secret is **not a legal right**. Once your trade secret becomes known you have no more protection! You cannot stop others from copying!



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## Third party rights

- Every third party IP right presents a right for the **legitimate owner** to stop you exploiting YOUR product/method if it falls within the **scope of protection** and the **territory of protection** of the IP right.

 Your own IP right provides a **negative right only!!**

- Violation of an IP right, if enforced against you by the IP right owner, can have severe consequences:
  - Stop making and selling your products;** recalling your products from retailers;
  - publication of the fact that you are an infringer; **Pay Damages** for infringing actions;
  - Pay Litigation costs.**

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## Freedom to Operate - Strategy

**IDEAL STRATEGY:** *"Do not infringe ANY third party IP right"*

**PROBLEM:** *Often too many third party IP rights and too many product features to get 100% certainty!*

**REALISTIC STRATEGY:** *"Reduce the risk of infringing third party IP rights" by:*

- FTO search\* for **essential features** of your product and for **essential markets** (geographical territory)
- FTO search with respect to known **competitors**
- **Surveillance** (pending/new applications)

*\*An FTO search tries to uncover any relevant patents which are potentially infringed by your product in order to evaluate the risks of infringement*



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## Freedom to Operate - Strategy

*What can I do if I think my product infringes a third party IP right?*

- Prepare a **defensive file** (and stay under the radar)
- **Invalidate** the IP right
- **Change your product/method** so it falls outside scope of IP right.
- **Limit** sale/use/making of your product/method to those **countries** where the IP right is **not in force**.
- **License** agreement from IP right owner in exchange for money
- **Cross license** agreement
- **Buy** IP right from IP right owner

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## Documentation - Strategy

*How can I can further strengthen my position when it comes to protecting myself against third party IP rights?*

- Maintaining **good documentation** about:
  - **Prior art publications** relating to your technology
    - ➔ Could help later to **invalidate third party IP rights**
  - **Development** of your own technology
    - ➔ Could help to **prove ownership of ideas** in case of doubt
  - **Use of technology** in products (technology, product, sales, investments, ...)
    - ➔ Could help to prove **prior use**; could **invalidate third party IP rights**


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## Defensive Publications - Strategy

*Your technology is not economically important so you don't want to file a patent to protect it – at the same time you want to make sure that your competitors do not file a patent for the technology. What can you do?*

- Publish details of your technology (defensive publication)
- The publication should have sufficient information to allow a skilled person to reproduce the invention (i.e. it must be “enabling”).
- Limit exposure by publishing for just a short period + keep record of publication.



**DISADVANTAGES:**

- Nobody (including “You”) can get a patent for the technology - “You” have **no** protection against copying
- Does not work against third parties who patented technology before the defensive publication

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# Questions?

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