

# Knobbe Martens

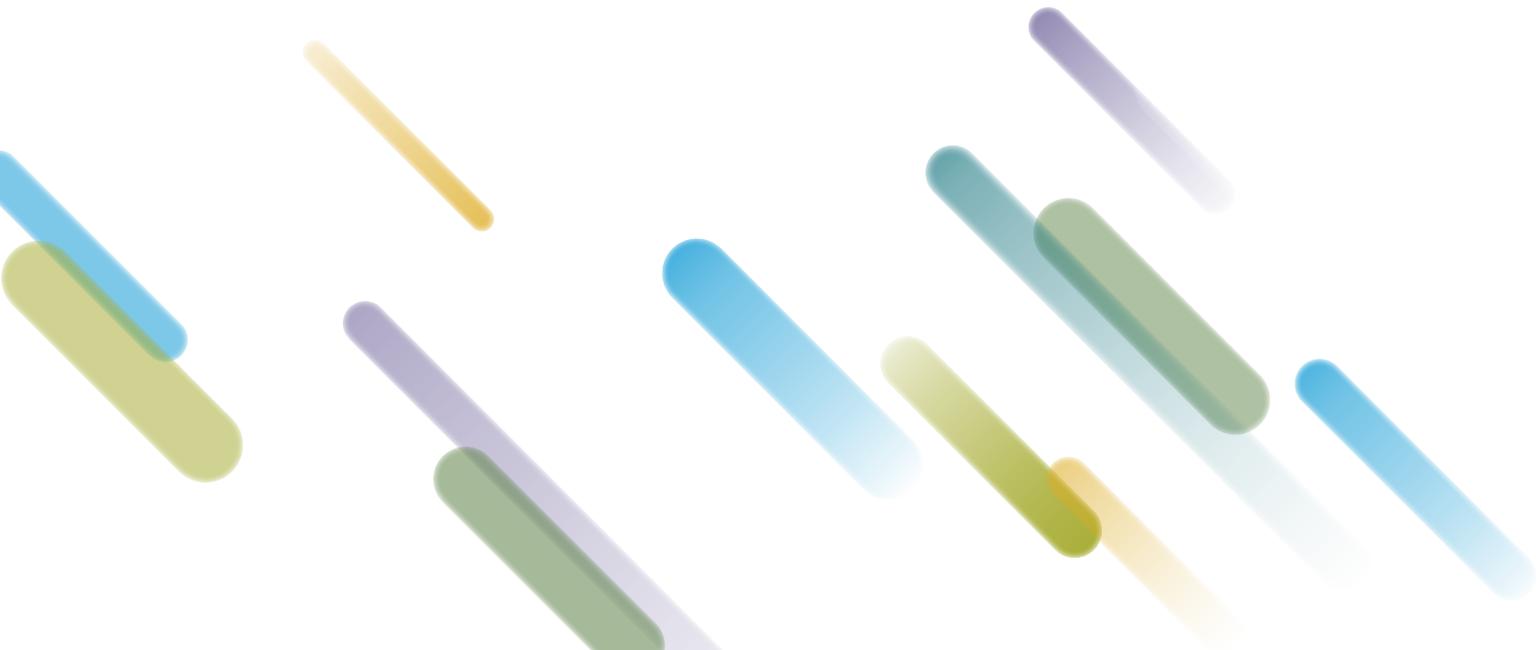
## IP FAQs

An introduction to  
IP basics and applications

Trademarks  
Copyrights  
Patents  
Litigation

Trademarks, copyrights and patents are important elements of your business. Without protecting them, your ideas may be stolen, your products may be copied and you may even lose your business. This booklet not only provides useful basic information about trademarks, copyrights and patents, but also outlines answers to frequently asked questions about litigation should that ever be a consideration. This information can serve as a good foundation for further discussions with your intellectual property lawyer.

The trademarks referenced in this publication are owned by their respective owners. They are used for illustration only and were selected based on their recognition in the marketplace. This publication is for educational purposes and is not intended to imply a client relationship with Knobbe Martens. This booklet provides a general guide to trademarks, copyrights, patents and litigation, and is not intended to provide legal advice. Because intellectual property laws are complex and subject to change, we recommend that you consult experienced intellectual property counsel for specific legal advice on your intellectual property matters.

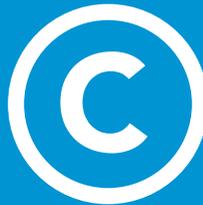


10 things to know about trademarks...



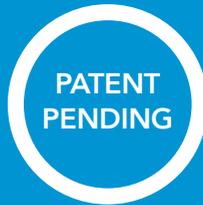
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# Trademarks

10 things you should know to protect your product and business names



## 1. What is a trademark?

A trademark is a brand name for a product. It can be a word, phrase, logo, design or virtually anything that is used to identify the source of the product and distinguish it from competitors' products. More than one trademark may be used in connection with a product; for example, COCA-COLA® and DIET COKE® are both trademarks for beverages. A trademark represents the goodwill and reputation of a product and its source. Its owner has the right to prevent others from trading on that goodwill by using the same or a similar trademark on the same or similar products in a way that is likely to cause confusion as to the source, origin or sponsorship of the products.

A service mark is like a trademark, except it is used to identify and distinguish services rather than products. For example, the “golden arches” is a service mark for restaurant services. The terms “trademark” and “mark” are often used interchangeably to refer to either a trademark or service mark.

## 2. How should a mark be used?

Trademarks must be used properly to maintain their value. Marks should be used as adjectives, but not as nouns or verbs. For example, when referring to utilizing the FACEBOOK® website, do not say that you “Facebooked” or that you were “Facebooking.” To prevent loss of trademark or service mark rights, the generic name for the product should appear after the mark, and the mark should appear visually different from the surrounding text. Use a different type size, type style, color or quotation marks for the trademark or service mark, as in OAKLEY® sunglasses, KATE SPADE® handbags or STARBUCKS® coffee. You may also use an asterisk (\*) after a mark, where the asterisk refers to a footnote explaining the ownership of a mark.

If a mark is not used correctly, the exclusive right to use it may be lost. For example, trademark rights can be lost if the mark becomes the generic name for the product. Kerosene, escalator and nylon were once trademarks but are now generic names.

If a mark is registered with the U.S. Patent and Trademark Office, the federal registration symbol ® should be used next to the mark. If the mark is not federally registered, the letters TM may be used to indicate a trademark or SM to indicate a service mark.

## 3. What is a trade name?

A trade name is the name of a business. Unlike trademarks, a trade name can be used as a noun. It need not be followed by generic terms.

It is permissible to use all or a portion of a trade name as a trademark or service mark. “Jelly Belly Candy Company” is a trade name. JELLY BELLY® is a trademark when used on candy and may be a service mark when properly used with Jelly Belly Cycling Team events.



#### 4. Does my incorporation or fictitious business name statement give me the right to use my business name?

Most businesses form a corporation or file a fictitious business name statement. Neither the certificate of incorporation nor the fictitious business name statement gives a business the right to use a trade name that is likely to cause confusion with a trade name, trademark or service mark that was previously used by someone else in the same area of trade.

The state or county agencies that issue the certificates of incorporation and fictitious business name statements do not perform searches sufficient to ensure that one's use would not infringe another's prior rights.

A court's determination of trademark infringement will override any fictitious business name statement or any certificate of incorporation. Further, the legal test that the courts apply to determine the right to use trade names, trademarks or service marks does not require that the names or marks be identical; it requires only enough similarity to cause a likelihood of confusion. Thus, neither of these filings means that you have the right to use your name in the advertising, promotion or sale of goods or services.

#### 5. Must trademarks be registered?

There is no requirement to register your mark, but there are many advantages to doing so. A federally registered mark is presumed to be a valid mark, and the registrant is presumed to have the exclusive right to use the trademark throughout the United States on the goods or services listed in the registration. A registered mark will also be revealed in searches conducted by other businesses in their effort to avoid selecting marks that may conflict with those of others. In addition, only federally registered trademarks or service marks may use the ® symbol.

After five years, the registration may become incontestable, which significantly limits the grounds on which competitors can attack the registration. An application for a federal registration may be filed before a mark is used in commerce, assuming the applicant has a good-faith intent to use the mark. Actual use must begin, however, prior to the issuance of a registration.

Marks may also be registered in each of the 50 states. The advantages of a state registration vary according to the laws of each state. Most states require that you use a mark on goods or services before applying for the registration. A California trademark registration, for example, is usually faster, less expensive and less difficult to obtain than a federal registration. It also allows its owner to sue infringers under several California statutes that offer advantages not available under federal law. A California trademark registration, however, has no force or effect outside of the state.

#### 6. What is a trademark search?

There are a number of professional search services that may be used to help ensure that your mark or trade name does not conflict with the rights of another business. The goal of such searches is to avoid spending time, effort and money promoting a product name or business name, only to find out that it conflicts with someone else's rights.

These searches are typically performed through trademark lawyers who evaluate the search report to determine if there is an actual or potential conflict with another name or mark. This evaluation depends upon the consideration of numerous legal factors and case law decisions.

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## 7. Is my product's shape or packaging protectable?

The nonfunctional features of a product's shape or packaging (its "trade dress") may be protectable if they are sufficiently distinctive to identify the owner of the trade dress. Product shapes are being protected with ever-increasing frequency. For example, the appearance of a "C" clamp, the shape of a Ferrari® car, a fingernail polish bottle, and the red border and format of TIME® magazine have all been protected against look-alike competitive products.

To help achieve this type of protection, nonfunctional and distinctive product features or packaging should be selected. These features should then be promoted through "image" advertising or "look-for" advertising so that customers recognize the product shape or packaging and associate it with a single source.

## 8. Can I register my trade dress?

If your trade dress is nonfunctional and is either inherently distinctive or has acquired customer recognition from sufficient promotion of the protectable features, it may be registered as a trademark. For example, the progressive orange color effect of LE CREUSET® enameled cast-iron cookware and the shape of a HERSHEY KISS® chocolate have been registered with the U.S. Patent and Trademark Office.

## 9. What about protection in foreign countries?

Trademark owners who have not registered their marks in foreign countries may find that the mark has been appropriated by a third party who was the first to register in that country. Many foreign countries regard the first to register in that country as the owner of the mark, even if it is a pirate who saw the mark in the United States and appropriated it. This pirate may even be a trusted foreign distributor of the U.S. trademark owner.

Foreign pirates may be able to prevent the original U.S. trademark owner from using or registering the mark in one or more foreign countries. In some cases, it may be possible to recover the mark, but the U.S. owner may face expensive litigation or exorbitant demands from the pirate.

If a U.S. product is sold overseas, care must be taken to ensure that the U.S. federal registration symbol ® is not used unless the mark is registered in the foreign country where the product is being sold. Some countries have both civil and criminal penalties for using the ® symbol with a mark not registered in that country. Improper use of the ® symbol may also make the mark unenforceable in some countries.

## 10. Where can I get information on protecting product and business names?

Information on trademarks may be obtained from the Trademark Unit of your Secretary of State's Office. Information on federal registrations may be obtained from the U.S. Patent and Trademark Office at [uspto.gov](https://www.uspto.gov).

The assistance of a lawyer experienced in trademark matters can help avoid problems before they arise. To contact a trademark lawyer or learn more about Knobbe Martens, visit [knobbe.com](https://www.knobbe.com).

# Copyrights

10 things you should know to protect your artwork, ads, writings and software



## 1. What is a copyright?

Copyright protection exists in any original “expression” of an idea that is fixed in any physical medium, such as paper, digital media or film. Copyrights cover such diverse things as art, music, technical and architectural drawings, books, photographs, computer programs and advertisements. Copyrights protect only the expression of an idea, not the idea itself; they do not protect facts, short phrases or slogans.

Because copyright protection requires originality, it bars others from copying copyrighted work to create substantially similar works. It is possible, however, for two very similar works to be independently created, with each author owning a separate copyright. For example, if two strangers stand next to each other and each takes a photograph of the same scene, each would own a copyright in his or her respective photograph.

## 2. What protection does a copyright give?

Copyright protection encompasses a bundle of exclusive rights that include the right to: (1) reproduce the work; (2) make derivative works; (3) distribute copies by sale, lease or rental; (4) publicly perform certain works such as plays or audiovisual works; and (5) publicly display certain works such as pictorial or sculptural works.

Compilations of actual data, like names or part numbers, may be copyrightable, but the protection is limited to such things as the selection and arrangement of the information. Facts by themselves cannot be protected by copyright, even if considerable time and expense went into compiling the facts. In appropriate cases, trade secret protection may be available for the factual information.

Copyrights may be licensed or transferred together or separately. For example, an author may grant a book company the rights to reproduce a book, may grant a movie studio the rights to make a movie derived from the book and may grant foreign distribution rights to other companies.

## 3. Are websites copyrightable?

A website may embody numerous works protectable by copyrights. For example, protected works may include individual graphic images within web pages, textual content of web pages or the visual appearance of entire web pages. Copyrights may also protect certain selections or arrangements of data or images embodied in a website, such as a library of thumbnail graphic images of Caribbean fish or a database of recipes to prepare an authentic Southwestern dish.

Other copyrightable subject matter includes original sequences of computer instructions that: (1) format web page content; (2) hyperlink to other web pages; (3) prompt users for input; (4) respond to user input; and/or (5) carry out other related processes. Examples may include sequences of markup language (e.g., HTML) instructions, CGI scripts or Java modules.

Authors who create copyrighted works available for downloading via the internet should be careful to use appropriate notice. If they do not, an implied license to do more than simply download the work for viewing may be granted. To limit the scope of an implied license, a copyright owner should include an express limitation in addition to a standard copyright notice. For example, if the copyright owner intends that the work be viewed only, then the owner may wish to include the following notice: “The recipient may only view this work. No other right or license is granted.”

As with any other copyrightable subject matter, website-related works can only receive copyright protection if they are original works of authorship, embodying or fixing the independent expression of the author or authors. Generally, copyright protection arises automatically upon fixing such expression in a tangible medium such as computer memory. While copyright protection is automatic and does not require copyright notice, the owner of copyrights related to a website may further discourage copying by including a copyright notice on protected features.



#### 4. How long does a copyright last?

U.S. copyright protection for works created on or after January 1, 1978, will last for the life of the author plus 70 years after his or her death. If the work was created for an employer by an employee within the scope of his or her employment, the copyright protection will last for 95 years from the date of first publication or 120 years from the date of creation, whichever is shorter.

If a U.S. work was created on or before January 1, 1978, the copyright can last for a total of 95 years, assuming that the owner has not inadvertently forfeited his or her work to the public domain by not using appropriate notice or filing the necessary renewals in a timely manner. Determining precisely when the term of the copyright ends and who owns any renewal rights are complex matters for which legal advice should be sought.

#### 5. If I use only 10% of a copyrighted work, can I use it?

If the portion taken is the heart of the copyrighted work or from a widely recognized portion of the work, then infringement can exist even though less than 10% of the copyrighted work is taken. When considering copyright infringement, the courts analyze whether the accused work is “substantially similar” to the copyrighted work. While the copyright statute provides “fair use” guidelines, these are evaluated case by case. Thus, there is no single “rule” or fixed amount regarding the portion of a work that one must change in order to avoid infringement. If you have concerns about specific situations, you should consult with an experienced copyright lawyer.

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#### 6. Must copyrights be registered?

Under current law, a copyright need not be registered until a U.S. citizen wants to file a copyright infringement lawsuit. Early registration, however, offers the copyright holder some significant advantages. For example, if a work is registered before an infringement commences, the infringer may be liable for statutory damages of up to \$150,000 for each copyright that is infringed, and may also have to pay the attorney fees incurred by the copyright owner in the lawsuit. It is advisable to register within three months of publication in order to claim the maximum remedies under the Copyright Act.

#### 7. Do I need a copyright notice?

For U.S. works first published on or after March 1, 1989, a copyright notice is not necessary to maintain copyright protection. Using a copyright notice, however, makes it difficult for other people to claim that they are “innocent” infringers who were misled by the absence of a copyright notice. For U.S. works first published between 1978 and 1989, the omission of a copyright notice from published works could result in the loss of copyright protection unless certain steps were taken in a timely manner. For U.S. works first published before 1978, omission of a copyright notice from published works usually resulted in the loss of any copyright protection.

A copyright notice consists of the copyright symbol ©; the year a work is first published; and the name of the copyright owner (e.g., © 2017 Knobbe Martens). If a sound recording is copyrighted, use © with the first publication date and owner. If the copyrighted material is revised, add the year of the revision to the copyright notice. It is also advisable to add “All rights reserved.”



## 8. Do I own the copyrights I pay others to create?

You probably do not own the copyright in works you pay independent contractors to prepare, unless you have a written agreement transferring the ownership of any copyrights.

While a business usually owns the copyrights of works created by full-time employees within the scope of their employment, a business has only limited rights to use copyrightable works created by independent contractors. Ownership of works created by employees, but not in their normal course of employment, varies with the facts of each case. Also, certain types of copyrightable works are entitled to “moral rights” protection, which must be considered at the time of any transfer of copyrights.

Ownership issues are often complex. An experienced copyright lawyer should be consulted on such issues.

## 9. Do foreign countries protect copyrights?

The United States has long been a member of the Universal Copyright Convention, through which copyright protection may be obtained in many foreign countries. In 1988, the United States joined the Berne Convention, through which copyright protection may be obtained in the vast majority of foreign countries.

Obtaining and enforcing copyrights in foreign countries requires compliance with the laws and treaties of each individual country. A lawyer knowledgeable in copyright law should be consulted about any specific needs.

## 10. Where can I get more information on copyrights?

Information on copyright registrations may be obtained from the Register of Copyrights, Library of Congress, in Washington, DC, at **copyright.gov**. The Copyright Office Catalog contains approximately 20 million records for works registered and documents recorded with the Copyright Office since 1978.

The assistance of a lawyer experienced in copyright matters can help avoid problems before they arise. To contact a copyright lawyer or learn more about Knobbe Martens, visit **knobbe.com**.

# Patents

10 things you should know to protect your business



## 1. What is a patent?

A patent is a right granted to inventors by the government to exclude others from making, selling, offering for sale, using or importing an invention. The U.S. government has issued over 8 million patents during the past 200 years. These patents cover many types of inventions and discoveries, including machines, compositions of matter, methods, computer software, plants, microorganisms and designs. Three types of patents are available in the United States. The first, called a “utility patent,” covers useful inventions and discoveries, which are defined in the claims of the patent. Generally, a utility patent expires 20 years from the day a regular patent application is filed for the invention. In addition to the claims, a utility patent includes a written description of the invention and also often includes drawings. A second type of patent, called a “design patent,” covers nonfunctional, ornamental designs shown in the drawings of the design patent. This type of patent expires 15 years from the date it issues. The third type of patent gives the owner the right to exclude others from asexually reproducing a patented plant, or from selling or using an asexually reproduced patented plant. Plants that are sexually reproduced (i.e., through seeds) or tuber propagated can be protected under the Plant Variety Protection Act.

## 2. How do I obtain a patent?

To obtain a utility patent, the invention defined in the patent claims must be new and nonobvious to a person of ordinary skill in the field of the invention. Many patents are combinations of previously existing parts combined in a new, nonobvious way to achieve **improved results**.

A design patent requires a new, nonfunctional, ornamental design that is nonobvious to an ordinary designer in the field of the invention. In all cases, the initial evaluation and patentability decision will be made by an examiner at the U.S. Patent and Trademark Office. Only the first and original inventor(s) may obtain a valid patent. Thus, you cannot obtain a patent in the United States for an invention you saw overseas, because you are not the first or the original inventor. Similarly, someone who sees your invention cannot obtain a valid patent on it because that person is not the first or original inventor. Someone else could, however, improve your invention and then patent the improvement. It typically takes a year or more after filing the U.S. application before the examiner sends the initial evaluation of patentability.

## 3. What is a patentability search?

When a U.S. patent application is filed, the Patent Office will conduct a search of prior patents from both the United States and foreign countries, and may also search for prior non-patent references. Inventors can have a similar patentability search conducted in order to better evaluate the cost and probability of obtaining patent protection for their invention. Evaluation of patentability search results is complex, requiring not only an understanding of the pertinent technology but also of patent law. The U.S. Patent Office tests and authorizes persons with appropriate technical backgrounds to file and prosecute patent matters before the Patent Office. You should consider contacting a registered patent attorney authorized to practice before the U.S. Patent and Trademark Office to assist with your evaluation.



PATENT  
PENDING

#### 4. What is a patent notice?

A product or accompanying literature can be marked with a patent notice, such as “Patent,” “Pat.” or “Pat. No.,” together with the patent number or a website address that associates the product with the patent number when the product or the method used to produce the product is patented. Marking the patented products with a patent notice can enhance the ability to collect damages from an infringer. The term “Patent Pending” means a patent has been applied for but has not yet been issued.

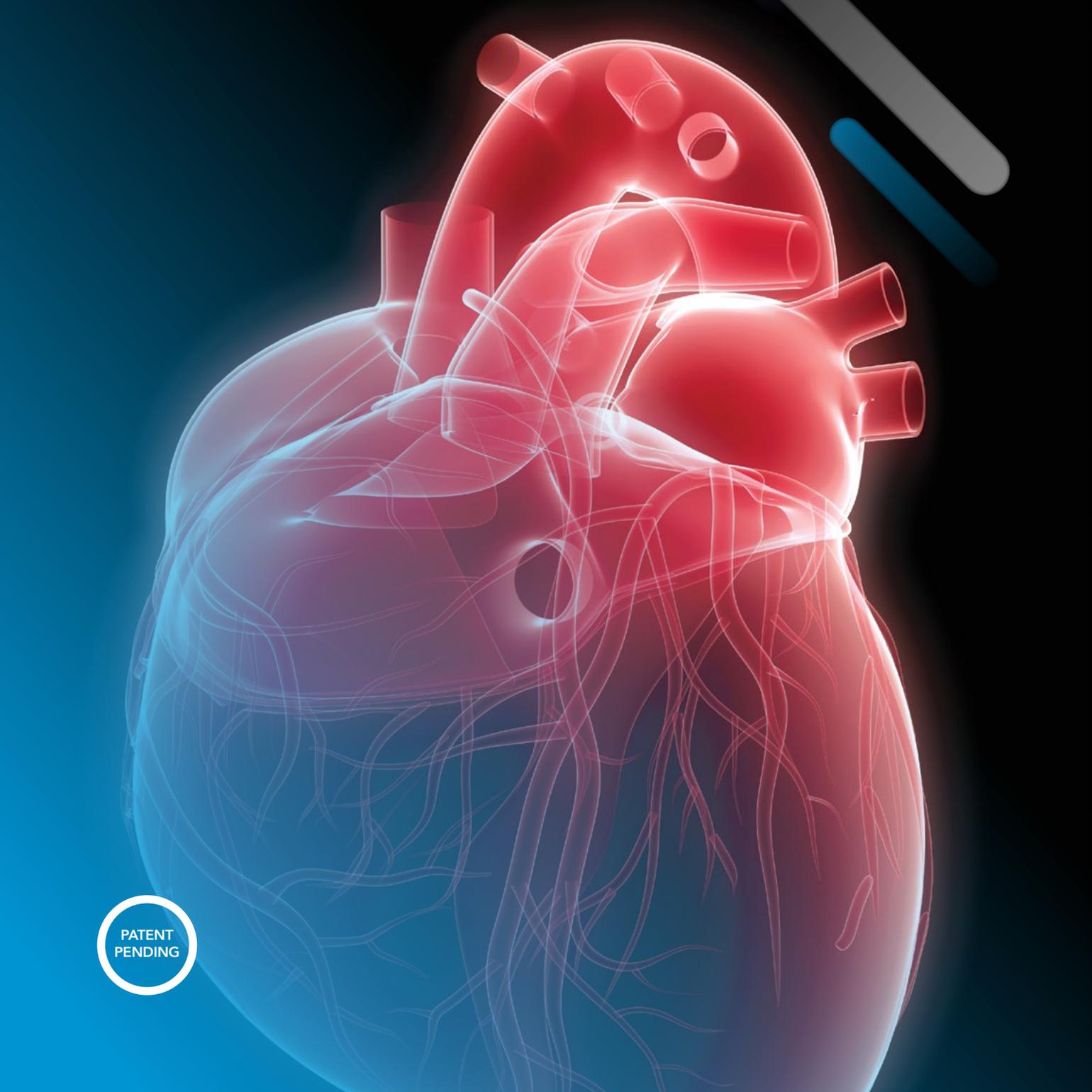
#### 5. When must I apply for a patent?

If two different inventors were to apply for a patent for the same invention, every country except the United States would award a patent to the first inventor to file. Conversely, the United States would award a patent to the party who invented first. However, on March 16, 2013, the law in the United States was changed to be consistent with the “first to file” system prevalent outside the United States. In any event, an application for a patent must be filed in the United States within one year of the first date that the invention is: (1) disclosed in a printed publication; (2) publicly used or; (3) offered for sale. A patent in the United States is valid only in this country. In most foreign countries, a patent application must be filed before any public disclosure is made anywhere in the world. The rules for determining when an invention is publicly disclosed, used or offered for sale are complex, and you should seek the advice of a patent lawyer if you have a question in this regard. By treaty with most, but not all, foreign countries, if a U.S. application is filed before any public disclosure is made, a foreign patent application may be filed up to one year after the U.S. filing date.

Thus, if a U.S. patent application is filed before any public disclosure of the invention, the option to pursue foreign patent rights in many foreign countries is preserved for one year. Filing a U.S. patent application after a public disclosure, however, usually prevents filing in most foreign countries. U.S. patent laws also provide for an informal and less expensive filing, called a “provisional patent application,” to preserve patent rights for 12 months. It also extends the term of the patent for one year. The provisional application is not examined and lapses after 12 months. Accordingly, a regular patent application must be filed within those 12 months in order to claim the benefit of the provisional application’s filing date. Likewise, foreign applications generally must be filed within those 12 months.

#### 6. Is there a worldwide patent?

There is no single worldwide patent. Each country has different patent laws and, therefore, rights provided by a patent are enforceable only in the country or countries issuing the patent. For example, a U.S. patent can prevent an infringing product that is made overseas from being sold in the United States but will not generally prevent the product from being sold in a foreign country. There are several international treaties that enable most of the initial steps in the patenting process to be consolidated for many countries, provided there was no public disclosure before the U.S. application was filed. Ultimately, however, the patent application must be filed in each country where a patent is sought and translated into an official language of each such country. The Patent Cooperation Treaty allows the additional cost of translating and filing in each foreign country to be delayed for up to 30 months from the U.S. filing date. During this 30-month period, it is often possible to test the market for the product and better judge the potential benefits of pursuing foreign patent protection.



PATENT  
PENDING

## 7. Does a patent guarantee my right to sell my product?

A U.S. patent gives its owner the right to exclude others from practicing the patented invention for the duration of the patent. However, it does not actually give the owner the right to make, use or sell the patented invention. It is thus possible to have an improved and patented product that infringes a prior patent. For example, one person obtains a patent for a chair. Later, a second person obtains a patent for a rocking chair. The first person may be able to stop the second person from selling the rocking chair if the rocking chair incorporates claimed subject matter of the original chair. In such a case, the second person's rocking chair infringes the first person's patent.

## 8. What is an infringement study?

An infringement study determines whether an unexpired patent has claims that might encompass a product or method that is being made, used, offered for sale or sold without authorization by the patent owner. If it is determined that a product or method may infringe someone else's patent, the design may be altered to avoid infringement, or a license may be negotiated with the patent owner. Infringement studies require an in-depth understanding of both the applicable patent law and the pertinent technology. Accordingly, you should consider contacting an experienced patent lawyer for such infringement studies.

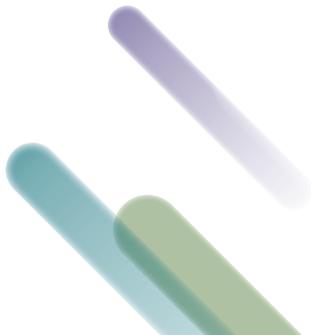
If a defendant is found guilty of willfully infringing another's U.S. patent, the court can triple the damage award and require the payment of the patent owner's attorneys' fees. Thus, questions of patent infringement should not be taken lightly. A written opinion from a competent patent counsel that provides a well-reasoned basis showing that the patent is either invalid or not infringed can be helpful in defending against a charge of willful infringement, even if a court ultimately does not agree with the arguments in the opinion.

## 9. Are patents worth the cost?

Although recent judicial decisions, pending legislation and proposed Patent Office rule changes may make it more difficult to obtain and enforce patents in the United States, patents remain extremely valuable to most technology companies. A well-crafted patent portfolio can attract investment dollars and provide a substantial competitive advantage. Patents can be used to exclude competitors from a company's core technology, block competitors from improving their own technologies or innovating within the company's commercial market, and discourage competitors from asserting their patents against the company. Patents can also provide substantial value through licensing revenue and through enhanced negotiation leverage. For example, Texas Instruments, Inc., is reported to have received \$600 million in patent income. Polaroid's lawsuit against Eastman Kodak shut down Kodak's entire instant-camera facility, and the damages awarded totaled nearly a billion dollars. Thus, patents can be worth the investment to their patent owners. On the other hand, those accused of patent infringement should take prompt steps to minimize their exposure.

## 10. Where can I get more information on patents?

Additional information on patents may be obtained from the U.S. Patent and Trademark Office in Washington, DC. Copies of patents are accessible on [uspto.com](http://uspto.com) from the U.S. Patent Office and other private companies. This site also contains information on more than 8 million issued U.S. patents. The assistance of a lawyer experienced in patent matters can help avoid problems before they arise. To contact a patent lawyer or learn more about Knobbe Martens, visit [knobbe.com](http://knobbe.com).



# Litigation

10 things you should know about IP litigation



### 1. Can I infringe a patent if I am not aware of it?

Yes. Generally, lack of knowledge of a patent or a lack of intent to infringe the patent is not a defense to an allegation of patent infringement.

Patent infringement occurs when someone without authority makes, uses, offers to sell or sells within the United States, or imports into the United States, any patented invention during the term of the patent.

### 2. How do I tell whether someone infringes my patent, trademark or copyright?

Determining **patent infringement** requires comparing the claims of the patent (the numbered paragraphs at the end of a patent) to an accused product or process. An accused product or process literally infringes a patent claim if each limitation in the claim is identically present in the accused product or process.

An accused product or process that does not literally satisfy each limitation of the claim may still infringe the claim under the doctrine of equivalents. Under this doctrine, even if some claim limitations are not literally present in an accused product or process, those limitations can still be satisfied, and infringement may be found, if corresponding features are insubstantially different from the relevant language in the claim.

A product or process that lacks even a single limitation or its equivalent does not infringe the claim.

**Trademark infringement** occurs when the defendant's use of a mark to identify goods or services causes a likelihood of confusion among ordinary customers as to the source, sponsorship, affiliation or approval of the goods or services. In order to determine whether a likelihood of confusion exists, courts consider factors such as: (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark and (8) likelihood of expansion of the product lines.

**Copyright infringement** occurs when there is: (1) ownership of a valid copyright, which can be proven, for example, by showing that the copyright is registered; and (2) copying of constituent elements of the work that are original. Copying can be proven by direct evidence of copying or by demonstrating access to the copyrighted work and substantial similarity between the accused work and copyrighted work.

### 3. What is trade secret misappropriation?

Laws concerning trade secret misappropriation vary by jurisdiction. Under the Uniform Trade Secrets Act, which has been enacted in one form or another in many states, a trade secret is information (including, e.g., a formula, device, method, technique or process) that (1) derives independent economic value, actual or potential, from not being generally known to or readily ascertainable through appropriate means by other persons who might obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. A plaintiff bears the burden of trade secret identification, which requires them to identify the trade secret with specificity or "reasonable particularity." In some jurisdictions, such as California, such identification is required before discovery related to the trade secret can be commenced. Misappropriation occurs when, generally speaking, the trade secret was wrongfully acquired by another.



## Video Resources

Part 1: Introduction to IPRs

Part 2: Strategic Insights for IPRs

Watch the videos by visiting [knobbe.com/iprvideos](http://knobbe.com/iprvideos)

#### 4. Do I need to save my documents and emails?

If you are involved in a lawsuit that has been filed, or if you anticipate litigation, you should take steps to preserve all records that may be relevant to the lawsuit. Failure to preserve such records, known as “spoliation,” can result in serious court-ordered penalties, including monetary sanctions. The information to be preserved includes such things as paper documents, email, electronic documents, audio/visual records and physical objects such as prototypes. Courts generally do not make exceptions for records that may be stored elsewhere or may be difficult to retrieve; for example, company records need to be preserved even when they are located in an employee’s office or home, or any other location. These records include those stored on any electronic devices, such as PCs, laptops, network drives, USB flash drives, smartphones and cloud storage. Also, data destruction policies should be discontinued, and email “auto-delete” functions should be disabled.

Employers should also send to relevant employees a “litigation hold” notice that informs them of their duty to preserve relevant records.

#### 5. Will my adversary get to see my confidential documents?

During the course of litigation, each party will likely be required to produce its confidential information to the attorneys on the opposing side. As a result, the parties often ask the court to enter a “protective order” to govern the handling of each party’s confidential information.

These protective orders often allow a party to designate highly sensitive material requested by the other party as “highly confidential” or “attorneys’ eyes only,” which restricts access of the information to outside litigation counsel and approved experts. Thus, the public and opposing party will not have any access. Protective orders also typically restrict confidential information from being used for any purpose other than the lawsuit.

You can review some model protective orders on the U.S. District Court for the Northern District of California’s website at [cand.uscourts.gov/model-protective-orders](http://cand.uscourts.gov/model-protective-orders).

#### 6. We have insurance that may cover litigation; what do we do?

You should promptly and carefully review all insurance coverage that you may have to determine whether a portion of the legal fees may be reimbursable to you by your insurance carrier. You should also promptly obtain legal advice from an insurance attorney with respect to insurance coverage because many insurance policies include time limits for submitting claims.

#### 7. Can I challenge the validity of a patent?

An issued patent is presumed to be valid. But an accused infringer can overcome this presumption in court by presenting clear and convincing evidence of invalidity. This can be done, for example by showing that the claimed invention is not new—that is, that someone had previously made the identical invention. This is known as “anticipation” and occurs when each element of a patent claim is present in a single piece of “prior art,” for example, an earlier patent or publication.

A patent claim can also be proven invalid by showing that the claimed invention would have been “obvious”—that is, if a person of ordinary skill in the relevant field would have readily been able to achieve the invention using existing knowledge, whether drawn from one or even multiple prior art references. Separate from challenging the validity of a patent in a lawsuit in federal court, an *Inter Partes* Review (IPR) provides a method for challenging patents before the U.S. Patent and Trademark Office. An IPR can offer advantages compared to challenging a patent in federal court, including speedier resolution, lower costs, lower burden of proof and a possible stay of concurrent litigation.



PATENT  
PENDING

## 8. Why do most cases settle?

The high cost of litigation often creates an incentive for the parties to explore settlement at an early stage. Also, the expense of litigation sometimes means that litigation does not make economic sense given the amount that may be at stake. Litigation may also distract management and employees from focusing on their business. Customers may also be drawn into the dispute, which can strain customer relationships. Litigation may also cast a cloud of uncertainty over a party's business. For these and other reasons, more than 95% of intellectual property lawsuits are resolved before trial, often through settlement.

## 9. What is claim construction?

The claims are the most important part of a patent. They are the numbered paragraphs at the end of a patent that define the scope of the protected invention. Claim construction is the process of “construing”—determining the meaning and scope of—patent claims for purposes of litigation. This process is often referred to as the Markman process, named after an important U.S. Supreme Court case, *Markman v. Westview Instruments*, 517 U.S. 370 (1996). In the *Markman* process, the parties file briefs in support of their proposed claim constructions (often supported by expert testimony), after which the court may hold a Markman hearing. The court then renders a *Markman* ruling construing the claims of the patent. The court's claim construction typically will be part of the jury instructions if the case reaches trial.

In determining the meaning and scope of the patent claims, courts look primarily to the claim language, patent specification and prosecution history (the written record of communications between the patent applicant and the Patent Office). Claim terms are interpreted as they would be understood by a hypothetical person of “ordinary skill in the art” who has read these documents. Generally, claim terms are construed according to their ordinary and customary meanings in this context. A leading case describing the proper claim construction process is *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005).

## 10. What is a summary judgment motion?

A summary judgment motion is a written request that a court decide an issue (or the whole case) without the need for a trial. In patent cases, for example, such a motion often addresses questions of infringement and validity, and is typically filed after discovery and claim construction are complete. For summary judgment to be obtained, the court must find “no genuine dispute as to any material fact” and that the moving party is entitled to “judgment as a matter of law.” What this basically means is that, if the relevant facts on an issue are undisputed, summary judgment can be obtained if the party can show the court that they would win under the law applied to those facts.

## Seeking more information about intellectual property litigation?

Patent, trademark, copyright and trade secret litigation are complex matters. The assistance of lawyers experienced in such matters is essential to protecting and enforcing your intellectual property rights, or in successfully defending against allegations of patent, trademark or copyright infringement, or trade secret misappropriation. To contact a patent, trademark, copyright or trade secret lawyer, or to learn more about Knobbe Martens, visit [knobbe.com](http://knobbe.com).

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The breadth of our practice areas is matched only by our leadership in each. We bring a level of smarts, skill and success to everything we do—across the board.

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- International Trademarks
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- Due Diligence
- Opinions & Counseling

## IP Transactions & Agreements

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- Electrical, Semiconductor & Computer Technology Litigation
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- ITC Litigation
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- Patent Office Litigation
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## Patents

- Patent Prosecution
- Global Portfolio Management
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Wherever you find innovation, you will find Knobbe Martens. We provide world-class IP services across a spectrum of industries, combining technical expertise and business experience to deliver creative, effective solutions that further our clients' goals.

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