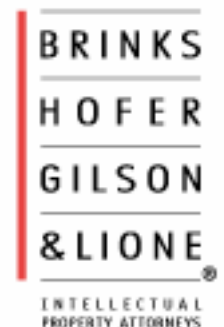


# Red Flags Identifying Intellectual Property Issues for the General Counsel

Robert K. Fergan

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Intellectual Property Attorneys

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# 1- Hiring an Employee


- ▲ Assignment of Intellectual Property Rights
- ▲ Employee Handbook



Any writing, invention, process, creative mark or other work which Employee may make or conceive of, either alone or with others, at any time while Employee is an employee of Employer which in any way relates to the business of Employer, shall be the sole property of Employer and Employee shall have no rights in nor claims thereto (including, but not limited to, rights or claims accruing under the copyright, trademark, or patent laws of any country).



"Confidential Information" means (but is not limited to) any information regarding Employer's business methods, business policies, procedures, techniques, research or development projects or results, sales information of any kind, financial information of any kind, trade secrets or other knowledge possessed by Employer which is not generally known by individuals outside of the Employer (including Employer's employees, consultants, and advisors). Also, "Confidential Information" shall additionally include, but not be limited to, the follow information of Employer:

1. Customer lists or other customer information;
  2. Sales strategy, tactics, or methods;
  3. Information pertaining to products or services under development;
  4. Internal company reports of any kind;
  5. all marketing strategies for site.
- 

## 2- Developing Products Internally

- ▲ Product Development Plan
  - ▲ Technology Assessment
  - ▲ Market Analysis
  - ▲ Product Development



# Product Development Flowchart

**Evaluate Core Competencies**

**Investigate Market Segment**

**Develop Product Specifications**

**Develop Prototype**

**Beta Test**

**Product Launch**



# 3- Contracting Help

- ▲ **Web-Design**
- ▲ Software Development
- ▲ Joint Development
  - ▲ Confidentiality
  - ▲ IP Ownership



# Copyrights

- ▲ Vest in the author at the time of creation
- ▲ Purchase of One Copy (Implied License)
- ▲ Work for Hire



I agree that all works of authorship, including without limitation, software, computer programs, and databases (including object code, micro code, source code and data structures), and all enhancements, modifications and updates thereof and all other written or otherwise tangible work products or materials that I create while employed at Company are “works made for hire” and the sole property of Company. To the extent that such works of authorship do not qualify under applicable law as works made for hire, I agree to assign and do hereby assign to Company all right, title and interest in any intellectual property rights in such works of authorship.



## 3- Contracting Help

- ▲ Web-Design
- ▲ **Software / Hardware Development**
- ▲ Joint Development
  - ▲ Confidentiality
  - ▲ IP Ownership




# Licenses, Sub-licenses

- ▲ Open Source
- ▲ Databases
- ▲ Libraries



# Patents

- ▲ We want to our widgets to fly.
    - ▲ Flying Widgets (Speed, Weight, Payload, Price)
  - ▲ Flying Widgets, you say?
    - ▲ Wings
    - ▲ Propeller / Rocket Powered
    - ▲ Aerodynamics
- 

# Patents

## ▲ Filed Separately

- ▲ Each has rights to their own development
- ▲ You can prevent flying widget
- ▲ They can prevent specifics (wings, propeller)

## ▲ Filed Together

- ▲ Both have rights to all claims and can assign rights without the consent of the other party.
- ▲ Its worse if you only give them a problem

# 3- Contracting Help

- ▲ Web-Design
- ▲ Software / Hardware Development
- ▲ **Joint Development**
  - ▲ Confidentiality
  - ▲ IP Ownership



# Trade Secrets

- ▲ Must be a fiduciary responsibility
  - ▲ Employee / Employer
  - ▲ Confidentiality Agreement (JD)
- ▲ Non-Confidentiality



# REQUEST TO CONSIDER SUBMISSION

General Motors Corporation  
Detroit, Michigan

Please consider my submission and let me know if it is of any interest to you.

(Briefly describe  
the idea(s) or  
Suggestion(s) and  
list any material  
submitted)

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I understand and agree that General Motors Corporation may make any use whatever of this and any prior or subsequent related submission absolutely free and without being obligated to me in any way except as may result from:

1. a written agreement which grants a patent license to General Motors Corporation under any patent right I own covering this submission, and which has been executed by an authorized Officer of General Motors Corporation, or
2. a final judgment rendered in my favor by the Courts against General Motors Corporation holding any such use to be an infringement of a valid patent.

By making this submission I do not grant General Motors Corporation any right under any patent. No waiver or change of any term or condition of this request shall be of any force or effect unless made in writing and signed by an authorized Officer of General Motors Corporation.

Date \_\_\_\_\_ Signature of Submitter \_\_\_\_\_

Name (Printed) \_\_\_\_\_

Address \_\_\_\_\_

RETURN TO: **General Motors Corporation  
New Devices Section  
30001 Van Dyke Ave.  
MC: 480-210-701  
Warren, MI 48090  
USA**

# 4- Purchasing

- ▲ Terms and Conditions
- ▲ Terms and Conditions



Supplier recognizes that Company's purchases are made based upon competitive technology, quality, service, and price under Company's guidelines generally applicable to such purchases. In the event Supplier is unable to deliver the developed product at competitive quality, service or price, Supplier will not assert any legal claims, including patents or other proprietary rights, against Company or its suppliers if Company makes the product or buys the product from others.



# 5- Due Diligence

- ▲ Key Employees
- ▲ Patents
- ▲ Trademarks
- ▲ Copyrights



## **A. Intellectual Property ( Due Diligence Selective Sample Questions)**

### **Patents**

1. List of U.S. and foreign Patents and Patent Applications including:
  - a. patent number
  - b. filing date
  - c. issue date
  - d. inventors
  - e. title
  - f. dates on which maintenance fees were paid and identity of parties paying maintenance fees.
2. Prosecution history of each patent (all correspondence between applicant and the Patent and Trademark Office during pendency of the application for each patent).
3. List any public disclosures of the Company's products pertaining to the above listed patents or patent applications, describe what was disclosed, who was present, and if there was any confidentiality agreement surrounding the disclosure.

### **Trademark/Service Marks/Domain Names**

1. List of trademarks/servicemarks/domain name including:
  - a. U.S. and foreign registration, application and assignment files, and prosecution histories
  - b. Litigation files (e.g., past infringements, disputes, demands or language in court orders may impact future litigation)
  - c. Trademark search report files on current marks
  - d. Concurrent use agreements.

### **Copyright Registrations and Ownership**

1. List of all U.S. Copyright Registrations owned by the Company including Registration Number, description of deposit filed in support of the registration, name and current address of each person who participated in creation of the subject matter.
2. List of all relevant non-Registered works (which are nevertheless protected via copyright) which have ever been offered for license, use or sale by the Company.
3. Schedule of software authors and other creators of the Company's software products and other intellectual property, with a notation next to each name indicating whether such author/creator made his/her contribution (a) as an employee within the scope of his/her employment, (b) outside his/her scope of employment or (c) as a consultant or other independent contractor.

### **Licenses and Agreements**

1. Agreements covering purchase, use and distribution of components which are critical to success of the Company's products but which are subject to patent rights (or other proprietary rights).
2. Copies of all employment contracts, consulting agreements, severance agreements, independent contractor agreements, non-disclosure agreements and non-compete agreements relating to any employees of the Company.

### **Infringement Claims**

1. Demand letters that the Company has sent regarding third party infringement of the Company's trademarks, patent rights or copyrights.

## About the Speaker:



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