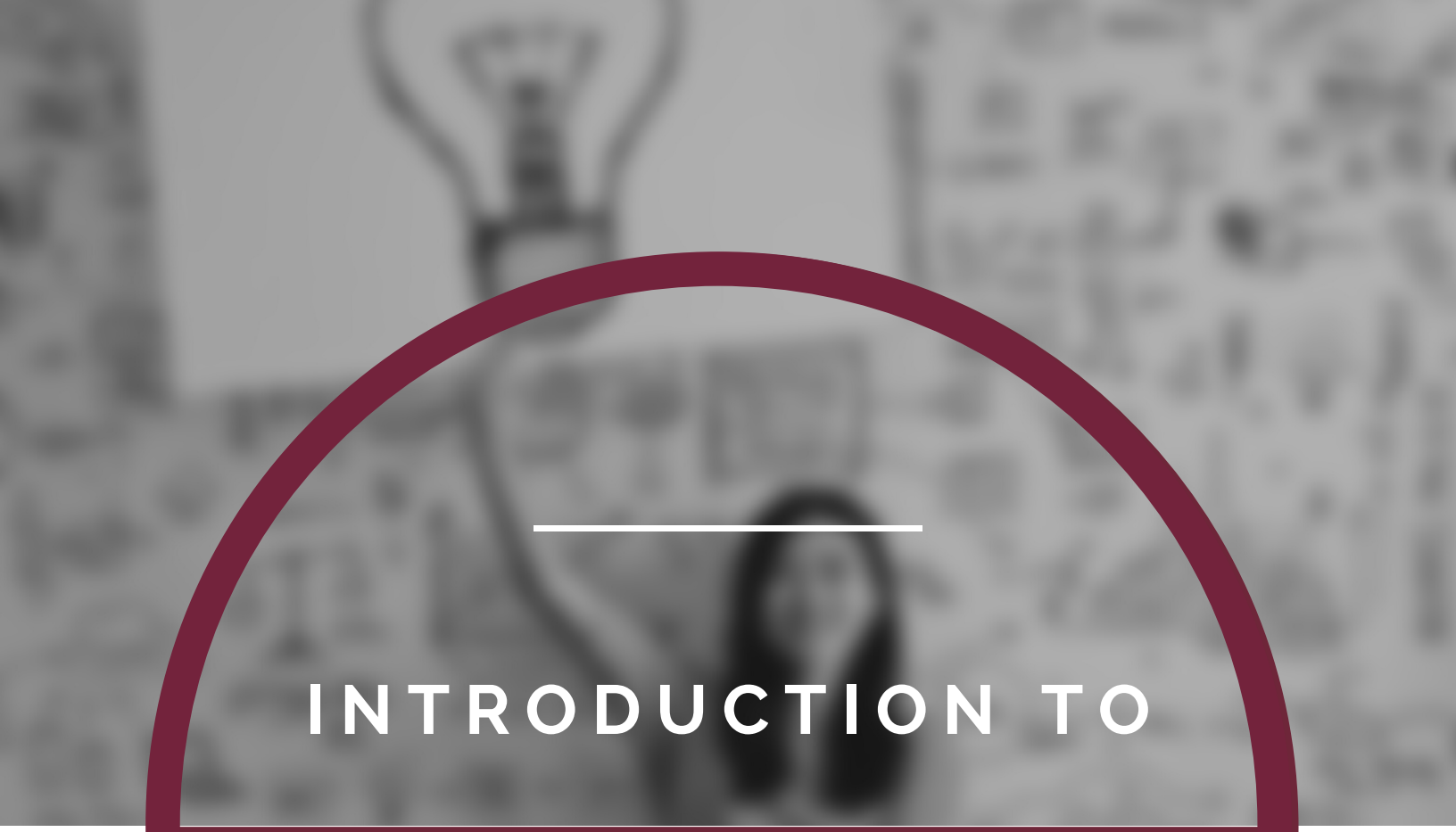

INTRODUCTION TO

PATENTS AND TRADE SECRETS

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Patents

A patent is a type of property right issued by the United States Patent and Trademark Office (USPTO) to inventors of new ideas or developments.

The inventor can own this property right and can also sell or give that right to another. The property right allows the owner to manufacture, market, and distribute the work, either for sale or for free. The right also allows the patent owner to prevent others from copying the invention.

This right, however, lasts only for 20 years, and after that 20-year period is up, anyone can copy the work and sell it themselves, with no payment or royalties owed to the patent-holder.

What qualifies for a patent?

Generally, only new and useful inventions or processes qualify for patent protection. In some circumstances, new and useful improvements to existing inventions or processes might also qualify for protection.

As used in patent law, the term "useful" means that the invention/process is operational and produces a beneficial output. "New" means it has not yet been patented or otherwise been used in the world (with or without a patent). Thus, if someone received a patent but never manufactured or distributed that invention, it is not considered new.

Similarly, if someone created a work but didn't bother getting a patent, and a subsequent manufacturer decides to produce that same exact work years later and apply for a patent, the work would not be considered new, and the manufacturer could not claim the invention was theirs just because they manufactured it.

Are there different types of patents?

Yes. There are three types of patents: utility, design, and plant patents. UTILITY patents are the most commonly issued type of patent because they are used to protect any new or improved useful process, invention of machine, or creation of composition of matter. DESIGN patents are used to protect the underlying original design of manufactured goods. PLANT patents are used to protect new and distinct varieties of plants.

Examples of previously granted patents include:

- Hand sanitizer dispensers (Utility)
- Messenger bag (Design)
- Multi-functional hammer (Utility)
- Brandy Punch Hibiscus (Plant)
- Combined smart phone stand and mouse pad (Design)

Some inventions may have multiple types of patents. For example, consider an Apple iPhone which is protected by several different patents including the design configuration of cameras, screens wrapping around the sides of the device, and even facial identification functions capable of recognition with face masks on.

How do I obtain a patent?

The process of obtaining a patent is very complex and tedious, and you must make sure all your bases are covered. Because errors are often fatal and cannot be corrected, it is highly recommended that you seek the advice of a patent attorney. (Note that not all attorneys are licensed to file patents.) Below is an overview of the patent registration process. Use it to help you determine whether you are ready to file a patent with the assistance of an attorney.

Step 1: Determine whether the invention has met the non-disclosure criterion.

In the patent context, public disclosure refers to the sharing of information in a non-confidential manner with anybody. For example, announcing or sharing your invention with somebody who has not signed a non-disclosure agreement is a form of public disclosure. If your invention is publicly disclosed, you must file a U.S. patent application within one year of the first disclosure; otherwise, you forfeit your patent rights in the invention.

Step 2: Determine whether the invention is new.

This requires, amongst other things, a very detailed search of the USPTO's database which contains every application for a patent or trademark that has ever been filed with the USPTO, regardless of whether the patent or trademark was granted. You also will want to conduct a search on the internet to see if anyone has marketed something similar. Related to this is whether the invention is useful, meaning it must have a purpose that is beneficial.

Step 3: Determine what type of patent you will be seeking (utility, design, or plant).

While a plant patent might be obvious, sometimes a single invention might qualify for either a utility patent or a design patent, or both. Determining which to file depends on how the invention will be used and how the inventor thinks it might be copied. This is why the assistance of an attorney is crucial.

Step 4: Determine the geography of the protection.

Determine if you will need protection of your invention only within the U.S. or internationally.

Step 5: Develop drawings and descriptions.

Once your invention is fully developed, you will need to prepare drawings and descriptions of your invention to accompany your application. These drawings

must be appropriately scaled according to USPTO guidelines and be a precise rendering of the invention. Often, they must be depicted on different planes. You will want to seek the assistance of a professional artist who has experience completing these types of drawings for the USPTO.

NOTE: Patent applications become a part of public record and therefore are considered a “disclosure." Thus, a single mistake made during any part of the application process derails your chance at ever obtaining a patent later. Since the process of preparing to file for a patent is extremely intricate and confusing, individuals are strongly recommended to seek legal counsel.

How much does it cost to hire an attorney to file a patent?

According to the respected legal website NOLO, hiring an attorney to file a patent can cost anywhere from $5,000 to $10,000 or more, depending on where your attorney is located, cost can increase exponentially. The overall costs are so high because each application requires a great deal of time spent researching and drafting the application. Additionally, patent attorneys must ensure that the application is complete and properly drafted to avoid loss of patentability.

What if I cannot afford legal counsel?

Do not let financial difficulties prevent you from seeking patent protection of your inventions. There are numerous free or low-cost programs available to assist inventors who cannot afford patent attorney costs. The USPTO provides several links to programs and self-help assistance guides online at www.uspto.gov/patents/basics/legal-assistance-and-resources.

Is there anything I can do to save time and money before hiring an attorney?

Prior to seeking assistance from a patent attorney, consider doing some of your own research.

First, do a basic internet search to see if there is anything else on the market like the work you have created. Is there anything for sale of a similar nature? How different is your work? Be prepared to summarize this in writing to your attorney. Have you tried shopping for something like the work you have produced?

Second, research to see if anyone else has applied for or been granted a patent for the same work. These searches can be done at appft.uspto.gov and patft.uspto.gov, respectively. These are the government's official databases and are extremely complex, so be sure to review this primer on how to use them: bit.ly/3itGpHS.

You can also use Google Patents (patents.google.com), a search engine developed by Google that indexes patents. Though it is easier to use, it is not the official government database. Therefore, we recommend following up your Google search by checking its results against the USPTO database.

You will need your patent attorney to conduct this search; however, sharing your own research results prevent duplication of search queries and will permit your attorney to dive quicker into the more complex searches. This will save your attorney time, and therefore will save you money.

Trade Secret Protection

Trade secret protections safeguard valuable information that is not known or readily accessible by competitors, when the owner of the secret takes steps to prevent disclosure. In certain situations, utilizing trade secret protection offers broader and longer-lasting protection of inventions and formulations. Unlike patents, the law does not limit the duration of a trade secrets contract.

It is because of these added benefits that trade secrets are used for some of the most notable products in the world, such as Coca-Cola's recipe and Kentucky Fried Chicken's "Original Recipe."

Because the general premise of trade secrets is in preventing dissemination of your specific information, trade secrets offer no protection from reverse engineering. For instance, as of yet, no company has been able to perfectly replicate the taste of Coca-Cola, and the recipe has remained a secret for over a century. Had the recipe been easily reverse engineered, this would not be the case. This is why patents are more commonly utilized for inventions that are readily able to be reverse engineered or replicated.

The most utilized legal tool in protecting trade secrets is the non-disclosure agreement (NDA). NDAs are contracts that prevent a party receiving confidential information or trade secrets from sharing the information or utilizing the information in an unauthorized manner.

Trade secrets offer several advantages over other forms of IP: their duration can be perpetual, overall cost of protection is low, and they do not require registration for protection. Since trade secrets rely heavily on the use of NDAs, it is highly suggested that you seek legal counsel for assistance in drafting an enforceable NDA.

If you decide to go the trade secret route, keep in mind that you will need to make due diligent efforts to protect information from disclosure. This might mean keeping the information under physical lock and key, limiting the number of people in the company who have access to the protected information, and adopting security measures to protect the information.

This also means that public disclosure of the information, for instance through social media, or to a wide spectrum of potential investors, would negate the power and strength of an NDA.

Conclusion

Operating a business is difficult and takes a lot of time and energy. This document is intended to help you make good decisions about protecting your work. While there is a lot of legwork you can do on your own for free or for very low cost, you will want to make sure you consult with an attorney to draft the legal documents and forms required, or at minimum, to ensure that you are on the right track if you decide to be responsible for the entire process of protecting your IP. All legwork you do yourself can save your attorney time, and save you attorneys' fees, by making it easier for your attorney to register your patent. At no point is the patent application a straightforward process, and an effective NDA requires specific legal terminology. This is why seeking the advice of counsel at the early stages of your process is the most prudent thing you can do to save time and money in the long run.

Useful websites:

- ***Patent basics:*** www.uspto.gov/patents/basics/legal-assistance-and-resources
- ***USPTO Patent search database:*** appft.uspto.gov
- ***USPTO Patent search tips and basics:*** bit.ly/3itGpHS
- ***Google Patent database:*** patents.google.com

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