

I N S I D E T H E M I N D S

Understanding Your Client's IP Needs

*Leading Lawyers on Mitigating Financial Risks,
Defining IP Standards, and Avoiding Common
Mistakes*



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IP: Components, Cases, and Questions

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A thorough understanding of intellectual property (IP) is an invaluable asset for any business operating in a competitive environment. While the major categories include patents, trademarks, copyrights, licenses, and trade secrets the company may own, IP contains a host of other related issues. Of these, the question of what properties warrant such attention, as well as the nature of competition's motives, are of the greatest importance. One consideration generally relates to understanding the competitors' IP, since this can interfere with the company's plans. Another concern is to develop a sound understanding of your own company's IP. Indeed, the list of issues may seem endless.

As the number of patents and other means of protecting IP grows, it has become increasingly important to review the IP held by others so the company knows the areas in which it is likely to face challenges or suits by others. While there has been some cutting back on the breadth of patent protection in the wake of a slightly narrowed approach to claims construction in the *Phillips* case, a revitalization of possible attacks on validity of asserted patents in the *KSR* case, and a decreased chance of liability for punitive damages after the *Seagate* case, patent litigation remains expensive and distracting.

KSR International Co. v. Teleflex, 127 S.Ct. 1727 (2007), represents the most significant change in patent law in decades. Before the Supreme Court's decision in *KSR*, court had required that a defendant prove there was a teaching, suggestion, or motivation to combine prior art references before they could be used to invalidate a patent for obviousness. *KSR* rejected this rigid approach in favor of an "expansive and flexible approach" using "common sense" when assessing whether an invention would be obvious to a person of ordinary skill in the art, and therefore invalid. *KSR*, 127 S.Ct. at 1729, 1742–43. This has significantly enhanced the opportunities for prevailing on an obviousness defense, reducing the protection of many patents.

Earlier, the Federal Circuit, which hears virtually all appeals in patent cases, diminished the breadth of the claims of many patents in *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc). Claims are the portion at the end of the patent that defines the legal limits of the invention claimed in the patent. Before *Phillips*, some courts had given claim terms in

the patent expansive readings, often based on dictionary definitions. In *Phillips*, the Federal Circuit noted that essential to any analysis is to determine what the inventor had actually invented, often using the patent specification as a guide. The patent specification is the portion of the patent that sets out an explanation and examples of the invention in detail. While the patent is not limited to only what the specification says, the specification is to be consulted as a key guide to understanding what was actually invented. This approach has diminished the reach of protection of some patents.

Finally, in *In re Seagate Technology, LLC*, 497 F.3d 1360 (Fed. Cir. 2007), the Federal Circuit made it much more difficult for a patent-owning plaintiff to prove the defendant infringed the patent willfully. A finding of willful infringement could lead to a court awarding treble damages. In earlier decisions, the Federal Circuit had imposed a duty of a party learning of a patent to seek an opinion of qualified patent counsel whether or not it would infringe before beginning infringing activity. In *Seagate*, the court required that a party alleging willful infringement “show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent.” This significantly reduces the threat of a court trebling a losing party’s damages in a patent infringement suit.

Nonetheless, care must be taken in patent-related matters. While their reach may have diminished somewhat, patent cases still can lead to extremely large verdicts. We have seen verdicts and settlements in patent cases in the hundreds of millions of dollars in recent years. And the cost of defending patent litigation itself is not insignificant, averaging more than \$2 million for cases involving damages claims between \$1 and \$25 million. *AIPLA Report of the Economic Survey 2007* at I-90 (July 2007). The risk that a company found to be an infringer will be enjoined from further infringing and thus selling key products or services is also significant. While injunctions were at one time virtually automatic against an infringer at the end of a case, the standard for achieving an injunction was recently made more difficult by the Supreme Court in *eBay v. MercExchange*, 126 S. Ct. 1837 (2006), by requiring *inter alia* a showing of irreparable harm absent the injunction. Nonetheless, the risk of an injunction remains real in many cases.

Of course, if patents represent risks to an accused infringer, they represent great opportunities for patent holders who may enjoy a large verdict and elimination of infringing competition from the market. Owning patents also represents an opportunity for protection against an infringement charge. With a significant patent portfolio, a company accused of infringement may find that the accuser is infringing the company's patents, leading to leverage that can be used to settle the matter.

Trademarks, while often not as threatening as patents, can also provide a significant threat to a company. I recently represented a nationwide chain whose competitor challenged its use of its very name. The implications of losing the ability to continue using a nationwide trademark are, of course, staggering. Fortunately, the challenge was successfully averted, but the threat was significant. Damages can be significant in trademark cases as well, particularly where the plaintiff can show that the infringer's use of the infringing mark diverted business away from it. The cost of defending trademark infringement actions is also significant, reported as averaging \$750,000 in larger cases. *AIPLA Report of the Economic Survey 2007* at I-995 (July 2007). Of course, it is critical for a company to protect its trademarks to keep others from profiting by misappropriating its good name and goodwill by using infringing marks.

Indeed, all forms of IP provide both risks and rewards for companies. This necessitates careful attention to understanding, maintaining, and enhancing the company's IP while understanding, planning for, and avoiding competitors' IP.

The Key Questions to Ask IP Clients

There are a number of relevant questions every company involved with IP—which is virtually every company—must ask of themselves. They include:

- What patents do you currently own? How do these patents relate to your core business? How do they relate to your competitors' business? What patents do you currently license from others? How do these patents relate to your core business? How do they relate to your competitors' business?

- What patents do you currently license to others? How do these patents relate to your core business? How do they relate to your competitors' business?
- What trademarks do you currently have registered? Which do you use? How do they relate to your business and your competitors' business?
- Do you license trademarks to or from others?
- Does your company have valuable trade secrets? (Virtually every company does.) What have you done to categorize them and protect them? Do you use covenants not to compete and confidentiality agreements? Are they systematically required and maintained? What are their provisions?
- How does the company identify the confidentiality obligations or invention assignment obligations of employees it has hired? Has the company signed any non-disclosure agreements, joint development agreements, or other agreements requiring it to keep certain information confidential? How does it monitor those obligations?
- Have your employees, where appropriate, signed assignment of invention/IP agreements? If you use independent contractors or advertising agencies to write software, ads, product literature, or other important documents, have they assigned the copyright to your company?
- Are there areas in which you innovate in which you should be, but have not been, systematically seeking protection in the form of patents, trademarks, or trade secrets? How do you document your innovations and history of products or processes?
- Who are your key competitors? What patents and trademarks do they own that may interfere with your business?

What Is Protected? What Should Be?

Current patents must be analyzed to determine what technology or methods are protected, to ensure maintenance fees are paid, and to ensure continuations are filed in a timely manner to keep the patents in place or broaden them as appropriate. Royalties on licensed patents must be

accounted for and paid, and payments due on patents the company licenses must be tracked. Similar tracking must be done for trademarks.

Information on trade secrets is necessary to determine whether the company has IP in that area to protect, and if so, to determine what steps need to be taken to protect it. Trade secrets are easily lost if the company does not take the proper steps to keep the information secret, including limiting access to the information, requiring employees, vendors, and others, as appropriate, to agree to maintain the secrecy of the information, and ensure the monitoring of such information is also kept secret.

It is important for companies that use independent contractors for advertising, writing, Web site creation, software writing, and the like to make sure the authors assign the rights to the copyrights to the company. Absent such an assignment, they (and not the company) may own the rights to the original work. You will also want to explore whether the company has works that should be protected by copyright. This is particularly important, as registration is normally a prerequisite to enforcing copyrights in court.

Protecting IP: Means and Methods

Non-competition agreements are a major tool used to protect trade secret information as well as valuable customer relationships established at the company's expense. They need to be reviewed to ensure they are used consistently, that their provisions are enforceable under current law in key jurisdictions, that consideration has been provided, and that other requisites are met for their enforcement. If they are not in place, a program may need to be implemented. If the company does not have assignment of invention/IP agreements from employees, it must put in a program to get those agreements created and signed.

The questions regarding areas of innovation are critical to building up necessary protection. I had a client, for example, who had a competitor with an aggressive program of filing for patents. My client kept noticing this competitor seemed to be filing for patents on processes my client had used for years. We then determined my client needed to keep track of its innovations and systematically file for protection in key areas for three

reasons. The first was to build up a portfolio to protect their innovations. The second was to have a portfolio for use in counterclaims in the event that the aggressive competitor sued them (as seemed likely, given their aggressive patent activity). The third reason was to provide proof of the date and time of my client's invention of technology, on which their competitor was otherwise likely to seek patent.

Information about proving innovation is gathered to be used as defense against claims of patent infringement by proving prior invention. Many companies show greater concern with the present and future than the past, so they tend to not maintain adequate records of prior products and processes sufficient to prove prior invention and use of technology, patented or not. It is critical to put in place a process to maintain such information so it is available if needed to defend the company.

Information on key competitors is used to perform necessary patent and trademark searches to see what type of patents, applications, and trademarks competitors either own or are seeking. This will then allow a company to determine whether it is likely to infringe prior IP owned by competitors as well as IP sought by competitors. This, in turn, will allow the company to plan whether to challenge the applications, if they mature into patents, by way of reexamination or in litigation, design around them, seek licenses, or otherwise deal with them. It may also alert the company to areas where it has innovations that are important to protect. The searches must be done on a periodic basis to allow ongoing analysis of these issues.

The Client's Role in IP

Generally, the client gathers what it understands regarding the IP it owns, but in each case, we also verify that they actually own the IP and that it is properly assigned and registered. Once this is accomplished, we go about working with them to understand what patents, trademarks, trade secrets, or other IP covering their products or services are critical.

Typically, the client will have some idea of the competitors' patents, but we will search for patents and trademarks assigned to competitors, to see what possible issues our client is facing—issues of which they may not be aware. Patent licenses, for instance, may or may not be registered with the U.S.

Patent and Trademark Office, so we will search databases for licenses, although we must rely on the clients to be comprehensive in this regard. Then there must be extensive follow-up to analyze their business needs and goals, and to craft an IP program that meets those needs.

The key factors for companies are who the competitors are now, who they are likely to be, what IP they own or are seeking, and where the market is likely going. The clients are generally able to identify their competitors, but in addition to searching trademark and patent databases, we can also verify competitors' patent filings in given classes and areas, which are now fairly easily searchable. Ownership of IP is sometimes identified by the clients, but we also need to perform searches to see what they have and what applications have yet to be filed.

The client generally has some idea of trends, but again, patent filings by competitor and class are another good indication of the areas that are likely to become important. The emphasis may change on these factors in the coming years, but identifying all forms of IP continues to be among the most important aspects of IP. Given some of the new trends in limiting patent protection, I believe we will see a little more emphasis on trade secrets in the coming years.

The Five Steps of an IP Legal Review

We must first determine from our client who the key people are with knowledge of IP, in all forms, and obtain any available summaries of IP, including issued patents, pending applications, trademark registrations, and trademark applications from such sources. This is critical to making sure our first meeting with them to go over their IP situation is productive. The challenge, of course, is to make sure knowledgeable people are involved, as representatives must include product managers, technical people, and executives.

The next objective is to gather up all publicly available patents, patent applications, trademarks, and trademark applications owned by the company and, from there, gather up the same information about their competitors and search the publicly available information to see who has IP

of the same type or class. This needs to then be summarized and categorized in a meaningful way for discussion with the client team.

The third step is to engage in a series of meetings with company representatives to determine how existing or pending IP fits in with their business needs and goals, and to identify areas that could be better protected. The goal for such meetings is to focus resources on the important matters and set priorities. Another goal is to determine the competitor's apparent IP plans that may raise obstacle for the company. The ultimate plan here is to determine whether to design around the competitor's IP, move in a different direction, challenge the competitor's IP, or license it. This requires an analysis of what is possible and the cost of each alternative.

The first meeting will likely focus on patents and trademarks, but one should not neglect all aspects of a client's trade secrets, trade secrets program, non-competition agreements, and aspects of that program. Often, each meeting will focus on one particular aspect, depending on the company's situation. At the conclusion of this step, you will have identified seven major pieces of information, including:

1. A catalog of existing IP and importance of each item to the company
2. A catalog of the company's obligations with regard to IP, including licenses, confidentiality requirements, and so on
3. A list of the areas in which the company should be seeking additional IP and the preferred form of IP (i.e. patent, trademark, trade secrets, etc.)
4. Identification of an IP committee that will include technical and business representatives responsible for setting direction and approving decisions to seek IP and enforce IP and provide strategies regarding competitive IP (This committee must also, working with counsel, put in place a mechanism for documenting inventions/IP and, ultimately, providing ideas for worthy inventions to the committee for consideration.)
5. Identification of competitors and potential competitors, and their IP to watch

6. Identification of programs the company has in place or needs to put in place regarding non-competition agreements, confidentiality agreements, assignment of invention/IP agreements, trade secrets processes, and related matter

The above should all make its way into a database to allow quick access to company-owned IP, competitors' IP of concern, the company's pending IP, competitors' pending IP to watch, and the company's desired IP. The database also allows keeping track of deadlines, maintenance fees, and so on.

The next step is to apply for additional desired IP protection, with follow-through on monitoring and continuing to reevaluate the client's position and the competitive landscape. This process can include straightening out assignments and registrations of the same, initiating and keeping track of pending applications, and putting in place trade secret programs and invention programs (including confidentiality, non-competition, and invention/IP assignment agreements). This will also include periodic meetings with the companies' IP committee to perform evaluations of IP opportunities, and identify new areas in which to protect.

By the final stages of the process, the IP committee will be functioning and ongoing decisions will be made about seeking IP, its maintenance, enforcement, licensing, and formulation of strategies for dealing with potential threats from competitors' IP. Additionally, the company will ideally be expanding protection for trade secrets and related matters.

One major client representative we like to meet with for the above procedures, to establish a company's commitment to dealing with these issues, is of course the chief executive officer. Managers and members of the sales department are included when determining the IP related to the company's key business and direction.

Managers help assure that procedures and contracts are in place and monitored on an ongoing basis, while engineers and researchers are met with to learn the type of innovation going on and how to document and protect those efforts.

Monitoring IP Trends

The decisions of all critical courts must be monitored regarding patent, trademark, and trade secret matters. As far as overall trends are concerned, there is no substitute for staying current with the decisions of the U.S. Supreme Court, the Court of Appeals for the Federal Circuit, and important patent decisions in the trial courts. Summaries of those decisions are available on a subscription basis and through Westlaw and various blogs. While some of the key decisions can be spotted from the national media, particularly high-profile patent cases from the Supreme Court or the Federal Circuit, one cannot rely on that media alone. The issues tend to be complex, and the actual decisions themselves must be considered against the facts involved in the cases and traditional IP law. My younger associates are enthusiastic readers of blogs such as Patently-O.com and trademark blogs such as SchwimmerLegal.com, which typically report on important developments in the law on an ongoing basis. This is a good starting point for keeping up. I also belong to and subscribe to the publications of the American Bar Association's intellectual property section and the Federal Circuit Bar Association, among others, all of which have very useful publications on recent decisions and trends.

Regarding the competitive landscape, we perform a search for clients who have active IP programs on a weekly basis with the names of competitors and key technical terms in patent and patent application databases. A number of clients routinely send along trade journals for their industry that are helpful to review. Our searches also provide us with information from such journals if they are online.

This research allows us to identify any patent or trademark applications of interest, and to identify competitor applications. Moreover, it assists us in identifying "hot" technological areas where protection should be sought for client innovations. We also utilize a trademark watch service for our clients that allows us to evaluate possible challenges to trademark applications of competitors and others.

The Essentials of IP: What Every Client Should Know

The most common piece of advice I offer is this: concentrate on IP that is close to the core of your business. Look for opportunities to expand your IP value by licensing, and make sure you have the proper documentation in place concerning employees. And don't forget about your competitors' IP, which can cause you some unpleasant surprises if you don't pay attention to it.

I recall very clearly visiting a new client that had about 100 patent plaques on their wall. I said they must have a lot of litigation and licensing. They said they did not. Most of the inventions never made it into products. They sure could have used the million dollars they had spent on getting those patents in a better way. In short, focus is the key.

As for competitors, over the years I noticed that at first clients would often come to our firm because they had received a threat of IP litigation or had been sued. Once we finish a case, they start to come earlier so we can help them identify threats before suits and plan our way around them. The advice here is simple: learn about competitive IP to avoid surprises.

Developing IP: Tools and Tactics

All types of IP require emphasis on documenting ownership, development, and following up on applications and programs. Patents, on the other hand, have special requirements in a complicated, rule-driven application process that can be performed only by licensed and experienced prosecution counsel. It is therefore critical to make sure applications are timely made, and that follow-up takes place. Also, you must make sure inventions are assigned to your company, as patents are issued only in the name of individuals, so to own them you need to have them assigned to you. Competitors' applications must be watched to give the company time to determine whether issues of infringement are presented by their competitors' patents, and if so, whether there is a basis to challenge them, design around them, or license them outright.

Trademarks also have technical and timing requirements to obtain and maintain registrations. Key among these is the filing after five years of use

to make the mark “incontestable.” Competitors’ use and registration of marks must be monitored, and new marks must be cleared before use.

Trade secrets can be particularly tricky from both a defense and owner’s point of view. From a defense point of view, one must make sure new employees who may possess trade secrets will not use trade secrets of their former employers. Your company may well be liable for its employees’ misappropriation or misuse of their former employers’ trade secrets. You also will need to know whether prospective employees are subject to non-competition or confidentiality agreements, determine if they can abide by them, or whether you have defenses to their enforcement.

From an owner’s point of view, an ongoing program of enforcing confidentiality, proper use of agreements, and diligence in protection is necessary to protect trade secrets. Trade secrets are a unique type of IP the company can create without filing or the like. All that is necessary is that the company has a valuable secret and takes steps reasonable to keep it secret. This takes a fair amount of effort, but it is often well worth it to protect what is sometimes some of the most valuable information the company owns. Care must be taken to enforce secrecy and document the steps taken. If the proper steps are not taken, the information can no longer be protected as a trade secret and can be used by competitors. It is not uncommon for companies to decide valuable trade secret information has been stolen from them. But if steps have not been taken to reasonably protect the information in the eyes of a court, there is no right to protect it.

The key to most defenses tends to be access to information. For patents, it is not uncommon, at least in some industries, that the company that has actually invented and used the technology in question before the inventor now claiming a right to the invention that is the subject of a patent did. The prior invention by the company may render the patent invalid, a complete defense to a claim or infringement. Or, as in many cases, the technology may have been known throughout the industry before the patentee “invented” it, which again could render the patent invalid. In these situations, you need to prove your company actually invented the technology and when, or that the technology was used earlier in the industry and when. Companies therefore need to have a system for

documenting and maintaining a record of their activities so this can be proven.

The same is true for trademark use and trade secrets. The date of first use is critical for protection of trademarks. In the United States, the first to use the trademark is typically the owner of it, despite the date of registration. Therefore, it is critical to be able to prove when the mark was first used in commerce. With respect to the trade secrets, proving development and use of the trade secret is a key first step to establishing a right to protection. Proving steps to keep the secrets secret is also critical. Finally, in defending against a claim of trade secrets, proof of independent development or preexisting use of the alleged trade secret is key.

The common issue in this regard is in assigning someone responsible for preserving historic information and categorizing it in some way. Counsel can best direct the company as to what kinds of proof are most useful and necessary in this regard.

The Cost of IP

The most serious risks associated with IP generally include being precluded from selling products, including key technology critical to the company's business, being required to pay large damages claims, and being unable to protect the competitive advantage created by innovation if proper protection is not obtained.

The risks also include the cost of legal fees, distraction to the company, and the possible economic effect of an injunction or damages. To minimize the risks, we try to learn of IP risks before they actually arise by monitoring competitors' IP activities and IP situation so we have time to consider what poses a risk, the degree of risk (both financially and on a "win or lose" basis), and possible alternatives. The latter may include designing around, licensing, creating a standoff using the company's own IP, or challenging the IP of others.

In recent years, the size of patent verdicts has grown significantly. Some are in the tens or even hundreds of millions of dollars when courts award to patentees lost profits on lost sale. Of course, it can be disastrous for a

company to face an injunction in the middle of a product launch, which can require the company to immediately stop selling the product. It can be equally disastrous to have a key product taken off the market by an injunction, particularly for companies that offer only a few products. Normally, careful planning can head off these types of disasters, particularly given the great amount of information about pending patent applications that is now available.

Of course, the registration of IP has expense associated with it. A typical patent application averages about \$6,500. *AIPLA Report of the Economic Survey 2007* at I-21 (July 2007). But this can be in the tens or even hundreds of thousands of dollars, depending on the complexity of the technology, the length and intensity of the examination process at the Patent Office, and possible challenges after issuance by competitors.

Government Regulation of IP

Patents are issued by the United States and other national governments. There is now cooperation through the Patent Cooperation Treaty between the United States and many nations. Regulation is through the courts, except in the case of U.S. International Trade Commission proceedings, where this is done federally on an administrative level. The International Trade Commission is an independent federal agency that, among other things, directs actions against unfair trade practices involving patent, trademark, and copyright matters.

There has been a fair amount of activity in the patent area as of late. New rules were issued by the U.S. Patent Office making the patent application process more complex and useful to patent examiners. These rules were, as of this writing, held to be outside the power of the U.S. Patent Office to put in place, and so they are not yet in effect. Significant changes to the application process are, however, expected. Similarly, patent reform legislation has been proposed, although not yet enacted as of this writing, that could roll back some of the reach of patents and impose some limitations on damages and the like.

Trademarks are issued by the United States and other national governments, as well as by state governments. Trademark rights can also

proceed at common law without registration in the United States as a matter of state law. Some regulation, particularly of counterfeit goods, is enforced by the U.S. government through the International Trade Commission. There is also regulation of trademarks in an Internet context by the World Intellectual Property Organization, for example, as well as in the courts.

Trade secrets are created as a matter of state law, usually by statute. Many states—though certainly not all of them—have enacted the Uniform Trade Secrets Act, although there are variations even in that. There are federal criminal laws, for instance, making it illegal to steal trade secrets.

Copyrights are regulated exclusively on a national basis, through the U.S. Copyright Office. They are enforceable through the court system as well as by the International Trade Commission, again typically in counterfeit situations.

Trends in IP: Where to Find Them

My practice possesses a variety of patent and trademark searching capabilities, including databases with docketing and reminder services to keep an eye on processing of applications and related matters. As noted, these are used to understand competitive risks and opportunities.

It is critical to know the changes in the legal landscape. I subscribe to three or four magazines on the topic and monitor the cases and legal backdrop to keep current on IP trends and key technologies. As such, I can say with confidence that patents are rapidly changing. The U.S. Supreme Court has changed the ease of challenging patents for obviousness, as noted above. The Federal Circuit has narrowed the breadth of patent claims, and made treble damages for willful infringement much more difficult to achieve, meaning patents provide less protection to their owners and slightly less of a concern for the potential defendant.

Meanwhile, as noted above, the patent rules were changed by the patent office, but the D.C. Circuit rejected the new rules. As also noted, Congress is considering a Patent Reform Act. Make no mistake about it though, patents are still critically important to many businesses.

Trademark law is in some flux regarding dilution of famous marks that may be getting easier to protect. This is good news for holders of nationally recognized marks, but it is of virtually no benefit to those with marks that have less recognition and national reach.

Understanding the Client's Needs

One of the more complicated situations I have handled involved a client in the specialized construction equipment industry—an industry with very little history of IP issues. A newer competitor began to apply for patents, some of them on processes my client had used for years, and so it became clear that the client needed to institute a complete IP program, particularly in the patent area.

I was quite familiar with the client, and I reasoned that we needed to learn about their product lines in depth, the history of their product development and methodology, as well as other areas for growth and innovation, and to strengthen protection in those areas in which the competitor was positioning. We had a meeting at the client site location with the chief executive officer and key marketing and technical people, and as a result, we put in place a program similar to the one outlined above. This included identifying IP the client had, identifying IP protection the client might obtain, identifying competitive IP, and determining whether to invalidate (sometimes with the client's own previous activities), design around, or take some other approach to competitors' IP actions. We then built up the client's IP portfolio and performed weekly monitoring of competitors' patent applications. We also unearthed trademark violations using metatags including our client's registered marks, which we put a stop to.

IP issues entail advantages and disadvantages uncommon to other areas of law. The information on our clients' and competitors' IP is largely public and searchable, so we can rely on our background and expertise to help clients understand their situation. There are also significant opportunities for planning and improving their position. Thus, one can be proactive to develop their IP portfolio and to plan for competitors' activities simultaneously.

One disadvantage is that there are no set rules for how best to proceed in this area. There are, of course, rules preventing infringement and rules for obtaining protection, but designing a program to protect IP and to avoid the IP of others requires one to be experienced and creative. This also provides opportunities, of course, to those who approach the problem creatively and diligently. Again, the key way to manage costs is to focus on critical IP and not simply seek IP protection for its own sake. One must also monitor competitors' IP so one can plan for what to do if competitors receive patents or other protection that can block your client's plans. It is much less expensive to deal with such issues after having the chance to plan, rather than being tied up in expensive patent litigation.

The Value of Expertise in IP

Our firm is involved in our clients' business development and IP development, but we do not apply for patents, preferring instead to hire firms with the very best credentials in a given area to manage that affair. We feel this is the best approach, as it is not possible for a mid-sized firm to build all the technical expertise desired in all the technology areas in which our clients are involved. We partner with these firms to provide a seamless approach to coordinating the various activities.

Remember to focus only on critical IP, related to your client's business and the competitive landscape. Know what issues you will be facing from competitors so you can plan for them. This will lower your costs and increase your IP effectiveness.

David A. Allgeyer is a partner with Lindquist & Vennum. For more than twenty-five years he has been practicing in the areas of intellectual property litigation, arbitration, and commercial litigation. He has litigated cases in state and federal trial and appellate courts throughout the United States involving intellectual property in the form of patents, trademarks, trade dress, trade secrets, and copyrights, as well as related issues of unfair competition. Based on his litigation experience, he helps clients identify and address contractual and commercial issues and disputes, general intellectual property protection and strategy, and intellectual property licensing.

As a member of the American Arbitration Association's commercial panel, Mr. Allgeyer has been appointed as an arbitrator in more than twenty matters concerning commercial and intellectual property disputes. The former chair of Lindquist & Vennum's commercial litigation and intellectual property practice groups, he currently heads the firm's litigation department. He also serves on the firm's management committee.

Mr. Allgeyer has been included in Best Lawyers in America in 2007 and 2008, as well as Chambers USA Guide for intellectual property litigation. He has been named a "Minnesota Super Lawyer" by Minnesota Law and Politics from 2002 to 2007. He has also been named one of "Minnesota's Top Intellectual Property Super Lawyers" by Law and Politics.



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