

TURNING YOUR INNOVATIONS INTO A SUCCESSFUL BUSINESS

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Presenter

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B.S., Electrical Engineering, Boston University

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- Works with electrical and computer-related clients in IP strategy development and execution
- Over 14 years as in-house counsel, including Chief Intellectual Property Counsel for Teradyne
- Division IP Counsel for Textron Specialty Materials and a patent attorney for Raytheon
- Electrical engineer, developing operating system software and analyzing communications systems



Intellectual Property Overview



Overview

Intellectual Property (IP) rights

- “Intellectual” = inventions and other thoughts, ideas or intangible creations
- “Property” = legal right to control
 - i.e. exclude others from using

Overview *(cont)*

Why this matters:

- IP rights allow *control* over what differentiates one technology-focused company from another
 - Hardware designs
 - Software
 - Marketing image
 - Ability to get things done

Intellectual Property Tools

Most common IP tools

- Patents, copyrights, trademarks, and trade secrets

Each tool gives the right to *exclude*

- Patent: *exclude* use of an invention
- Copyright: *exclude* use of a creative work
- Trademark: *exclude* use of a “mark” in way likely to confuse customers
- Trade secrets: *exclude* use of secret ideas or other business information wrongfully obtained

Common Misconception

Right to **exclude** does not mean that you have the right to **use**

Most IP strategies have an offensive and a defensive component



Ways to Use IP

Offensive:

Leverage Innovation

- Block competition in product sales
- Support joint ventures or other cooperative arrangements
- License or sell IP
- Increase corporate value for buyout or spinouts
- Marketing advantage

Ways to Use IP *(cont)*

Defensive:

Freedom to Innovate

- Cross license
 - Formal
 - Informal
- Blocking others from patenting
- Promote awareness of IP risks
- Increase corporate value for buyout, spinouts or investments



Startup Life Cycle

Conception

Launch

Development

Funding

Liquidity
Event



Conception

Fewest resources to devote to IP tools, but time when much IP is being generated

Most investment is ahead of you

- Important time to know if you have the right to use ideas

IP on a Limited Budget

Be selective

- Offensive focus
 - What is new and key to your business
 - Most likely competitors
 - Countries where significant business is expected
- Defensive focus
 - Third-party IP that you cannot avoid
 - Companies most likely to be displaced by your business

Use lower cost IP tools

- Trade secrets

Be Selective

United States Patent [19] Mahan



US005107620A

[11] Patent Number: 5,107,620

[45] Date of Patent: * Apr. 28, 1992

[54] ELECTRIFIED TABLE CLOTH

[76] Inventor: **Richard E. Mahan**, 14027 Brownwood St., #3, Houston, Tex. 77015

[*] Notice: The portion of the term of this patent subsequent to May 9, 2006 has been disclaimed.

[21] Appl. No.: 518,429

[22] Filed: May 3, 1990

[51] Int. Cl.⁵ H05C 3/00

[52] U.S. Cl. 43/112; 43/98

[58] Field of Search 43/112, 98, 107, 121; 361/232

[56] References Cited

U.S. PATENT DOCUMENTS

4,756,116	7/1988	Cutter	43/112
4,827,874	5/1989	Mahan	119/61
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FOREIGN PATENT DOCUMENTS

WO8803754	6/1988	PCT Int'l Appl.	43/112
597751	4/1978	Switzerland	43/112

Primary Examiner—Richard K. Siedel

Assistant Examiner—Chuck Y. Mah
Attorney, Agent, or Firm—Neal J. Mosely

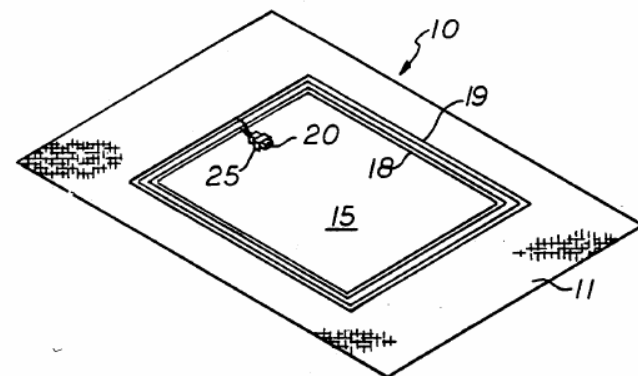
[57] ABSTRACT

An electrified table cloth for preventing crawling insects from gaining access to the consumer's food or drink comprises a cloth formed of electrically insulated material which has at least one pair of parallel electrically conductive strips secured to the edge or border of the cloth to completely encircle the cloth and which are connected to a low voltage DC battery also secured to the cloth. The strips of electrical conductive material are spaced apart sufficiently to normally prevent completion of a circuit across the strips and for completion of a circuit across said strips through an insect's body as the insect attempts to traverse the strips when crawling across the edge of the cloth. The current passing through the insect's body is sufficient to produce a sensation which will discourage further travel across the edge of the cloth. A consumer who may come into contact with the strips will usually not feel the current and, even if the consumer is wet, the current will produce only a slight tingling sensation. The electrical apparatus may also be provided in kit form to be installed on table cloths by the consumer.

9 Claims, 1 Drawing Sheet

Electrified Table Cloth

(not every innovation is worth protecting)



Provisional Patents

Different than an ordinary patent

- Not examined
- Claims not required
- No special format required
- Expires in 1 year

Benefits

- Establishes a filing date
- Can be lower cost

Drawbacks

- Only establishes a filing date for what is fairly described

Do It Yourself?

Permissible

Benefits

- Lower cost

Drawbacks

- Opportunity cost
- Quality

Half and Half

- Effective working relationship with professional advisors may allow you to provide inputs that reduce, but not eliminate the need for professional services

IP is an Art and a Science



Development

May hire employees or consultants

- Employment agreements to take ownership of IP and ensure confidentiality
- Consulting agreements – may be even more important than employee agreements

May generate more IP

May need to disclose ideas

- File patent applications, at least provisionals
 - Before disclosure is better
 - U.S. has one year grace period, so after is possible
- Use NDAs, if appropriate
 - What about investors?

Launch

Definite disclosure of ideas

- Should have offensive IP strategy in place
- Trade secrets may lose effectiveness

May be first opportunity for competitors to evaluate your product for infringement

- Should have ideas about defensive strategy
- Key point for “willfulness”

Funding

Investors care about:

- Likelihood that you have a sustainable advantage
 - Intellectual Property is a good indicator
- Risk that their money will be wasted fighting over infringement of IP

Degree of certainty required depends on amount and characteristic of investment

- Smaller dollars and higher overall risk, less rigid
- Often will accept plan and process being followed, without requiring protection

Funding *(cont)*

Amount done before funding versus done after can affect:

- Length and cost of diligence period
- Percentage of ownership you give away

Liquidity Event

Competitors will take notice

- Defensive IP strategy should be in place

Greater opportunity to fund IP: Backfill

- Convert provisionals to ordinary applications
- File patents on inventions disclosed within the grace period
- Patent new insights: picket fence approach