

# Basic IP Protection for Start-Ups

By **Andrew S. Flior**

*Originally published in the Orange County Business Journal on August 20, 2018. Reprinted with permission.*

Intellectual property (IP) forms the backbone of many start-up companies. Your ideas and works need to be protected, whether your start-up is a high-tech software, medical device, or biotech company, or a simple shop selling unique consumer products online. The failure to seek IP protection may put your start-up at a competitive disadvantage and could reduce your company's valuation. Thus, here are some basic IP tips to guide your start-up.

## **Copyrights**

1. Just because a graphic, video or other content is on the internet, does not mean it is free to use. Use content you own, have licensed, or content you are certain is in the public domain.
2. Make sure you have written agreements assigning any copyrights from independent contractors who work for you. Employees' works may automatically vest to you under a "work for hire" doctrine; however, works of independent contractors should be assigned over to you in writing.
3. Register your work with the U.S. Copyright Office. Registration bestows many benefits including statutory damages for infringement of your work and the possibility of recovery of your attorney's fees.

## **Trademarks**

1. When selecting a trademark, check with the U.S. Trademark Office for prior registered trademarks, as well as prior unregistered trademarks. Unregistered trademarks may enjoy "common law" trademark rights that could preclude your use of a similar trademark and impede your attempt to register your own trademark.
2. Register your trademarks with the U.S. Trademark Office. Registration provides benefits including nationwide priority of use of your trademark, as well as the possibility of statutory damages for counterfeits of your trademark. Registration may also prevent a third party from registering a similar trademark.
3. Apply to register your trademark promptly. You may file for a trademark registration prior to your actual use of the trademark under an "intent-to-use" filing. The "intent-to-use" filing may give you priority over third parties as of the date you file your trademark registration application.

## **Patents**

1. Be expeditious in filing your patent applications. The United States converted to a "first to file" system in which the first party to file a patent application may have the patent rights to that invention. The United States allows for a "provisional" patent application, which is a more informal patent application that may preserve your filing date ahead of others.

2. Make sure you have written agreements assigning any patent rights from independent contractors who work for you. Patent rights initially vest in the “inventors” of the patented invention and that ownership should be transferred in writing.
3. Patent rights are not limited to new functions of machines or unique processes. Rather, a type of patent called a “design patent” may cover the ornamental appearance of articles of manufacture, which may include clothing, products, product packaging, furniture and webpages, among others. Design patents may prevent direct “knock-offs” of the appearance of your products.

### **Trade Secrets**

1. Maintain confidentiality agreements and other secrecy controls over those who have access to your trade secrets. Your trade secrets may be maintained by efforts that are reasonable under the circumstances to maintain their secrecy.
2. Remember that trade secrets are often broadly defined to include formulas, patterns, compilations, programs, devices, methods, techniques or processes. Thus, your “secret sauce” may extend to methods of doing business, customer lists and internal software processes, among others.

### **Conclusion**

This list is not comprehensive, however it does provide a foundation of basic knowledge you may need when operating your start-up. Some knowledge today may help guide your start-up and its valuation tomorrow.



**Andrew S. Flior**  
714.427.7083  
[aflior@swlaw.com](mailto:aflior@swlaw.com)

**Andrew S. Flior's** practice is concentrated in intellectual property protection and litigation. He has experience in preparing and prosecuting patent applications in a variety of industries, including financial services and technologies, medical devices, software and business products, and mechanical devices. In addition, Andrew has experience in preparing and prosecuting trademarks, performing due diligence work related to the possible purchase of patents, preparing infringement and validity opinions, and has counseled clients on patent strategies and how to best maximize a patent portfolio budget.