



PROGRAM MATERIALS
Program #29201
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How Intellectual Property is Used in Business Settings

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Intellectual Property in Business Transactions

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Part 1: Review-The Basic IP Rights

Part 2: Applying IP Rights to a New Product

Part 3: IP in Licensing

Part 4: IP in Supplier Transactions

Part 5: IP in Customer Transactions

Part 6: IP In Capital Acquisition

Part 7: Avoiding IP Infringement

Part 1: The Basic IP Rights

What is Intellectual Property?

IP Rights Are **Negative Rights**

Exclusionary Rights

NOT Rights That Permit Owner to Take Action
Without Potential Liability

IP Rights Are **Territorially Limited**

There Are No “World” Patents, Trademarks, Etc.

Trademarks
Copyrights
Patents
Trade Secrets



US009238965B2

(12) **United States Patent**
Burgess

(10) **Patent No.:** **US 9,238,965 B2**
(45) **Date of Patent:** **Jan. 19, 2016**

(54) **ROTARY PULSER AND METHOD FOR TRANSMITTING INFORMATION TO THE SURFACE FROM A DRILL STRING DOWN HOLE IN A WELL**

(75) Inventor: **Daniel E. Burgess**, Portland, CT (US)

(73) Assignee: **APS Technology, Inc.**, Wallingford, CT (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 858 days.

(21) Appl. No.: **13427,593**

(22) Filed: **Mar. 22, 2012**

(65) **Prior Publication Data**
US 2013/0250728 A1 Sep. 26, 2013

(51) **Int. Cl.**
E21B 47/18 (2012.01)

(52) **U.S. Cl.**
CPC ————— **E21B 47/187** (2013.01)

(58) **Field of Classification Search**
CPC ——— E21B 47/18; E21B 7/068; E21B 44/00; E21B 47/187; E21B 4/02
See application file for complete search history.

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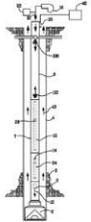
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Primary Examiner — Kerri McNally
Assistant Examiner — Renee Dorsey
(74) **Attorney, Agent, or Firm** — Baker & Hostetler LLP

(57) **ABSTRACT**
A rotary pulser for transmitting information to the surface from down hole in a well by generating pressure pulses encoded to contain information. The pulser includes a rotor having blades that are capable of imparting a varying obstruction to the flow of drilling fluid through stator passages, depending on the circumferential orientation of the rotor, so that rotation of the rotor by a motor generates the encoded pressure pulses. A spring biases the rotor toward the stator so as to reduce the axial gap between the rotor and stator. When the pressure drop across the rotor becomes excessive, such as when increasing drilling fluid flow rate or switching from a high data rate to a low data rate transmission mode, the spring bias is overcome so as to increase the axial gap and reduce the pressure drop across the rotor, thereby automatically reducing the thrust load on the bearings.

33 Claims, 14 Drawing Sheets




Trademarks

A trademark is any name, symbol, logo, phrase, device, color, sound or scent used to *identify the source of goods or services*.



1-800-GET-PINK™

Color: Pink for fiberglass insulation



Service Mark



Symbol: Golden Arches
Slogan: i'm lovin' it



Name and
Sound Mark



Certification Mark



Review: Trademarks

Federal Trademark Rights

- 15 U.S.C. § 1051 et seq.

Common Law Trademark Rights

- Federal
- State

Review: Copyrights

17 USC 102 (a) Copyright protection subsists...in original works of authorship fixed in any tangible medium of expression

17 USC 102 (b) In no case does copyright protection....extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery...;

Review: Copyrights

17 USC 102 (a) ...Works of authorship include the following categories:

- (1) literary works;
- (2) musical works, including any accompanying words;
- (3) dramatic works, including any accompanying music;
- (4) pantomimes and choreographic works;
- (5) pictorial, graphic, and sculptural works;
- (6) motion pictures and other audiovisual works;
- (7) sound recordings; and
- (8) architectural works.

Review: Copyrights

17 USC 106 Exclusive Rights in Copyrighted Works:

- Reproduction
- Distribution
- Performance or Display
- Create Derivatives copies of the work
- Conduct Digital Performance of Sound Recordings

Review: Copyright Ownership

17 USC 201

(a) Initial Ownership. — **Copyright** in a work protected under this title **vests initially in the author or authors of the work**. The authors of a joint work are co-owner of copyright in the work.

(b) Works Made for Hire. — In the case of a work made for hire, **the employer** or other person for whom the work was prepared **is considered the author** for purposes of this title, and, **unless the parties have expressly agreed otherwise in a written instrument signed by them**, owns all of the rights comprised in the copyright.

Copyright Ownership

Company A hired a development company (Dev Co) to develop a software program. Company A employee and Dev Co. each contributed to software program. Company A and Dev Co. agreement did not assign copyrights to Company A.

Who owns the copyrights?

Dev. Co + Company A (co-owners)

Each has full rights and control of the patents and patent applications

Review: Trade Secrets

Protected under Federal Law via the Defend Trade Secrets Act (18 U.S.C. §§1839 et seq)

Federal cause of action

Protected under State Law

State cause of action

Review: Trade Secrets

Defend Trade Secrets Act 18 U.S.C. §§1839 et seq
“[A]ll forms and types of information [that] ... (A) the owner thereof has taken reasonable measures to keep such information secret; and (B) the information derives independent economic value... from not being generally known to, and not being readily ascertainable through proper means by another person

Business Plans, Customer Lists, Employee Data, Products Under Development, Business Strategies, Pricing Data, Formulas, Recipes...

Review: Patents

Grants Patent Owner the Right to **Prevent Others** From Making, Using, Selling in the U.S. as the Invention **as Claimed** in a Patent. 35 U.S.C. 271

Review: Patents

Basic Requirements for Patents

1. **Patentable Subject Matter** (§101)
2. Utility (§101) → “Useful”
3. Written Description and Enablement (§112)
 - Must “enable” one of skill in the art to make/use the invention
 - Must fully disclose the technology
4. **Novelty** (§102) → “New”
 - Printed publications (patents, articles, scientific journals)
 - Prior public use
 - On sale or offered for sale
5. **Non-Obvious** (§103)
 - Cannot be “Obvious” to One of Ordinary Skill in the Art
 - Can’t be a mere variation of what has been done before

Review: U.S. Patent Claims

–“The name of the game is the claim.”

–Defines scope of rights

–Valid claims are novel and nonobvious over prior art

1. A closure device for sealing a percutaneous puncture in a wall of a body passageway, the closure device comprising:
a deployment body;
a plug configured to engage a surface of the puncture;
a toggle configured to engage an internal surface of the body passageway;
an elongate filament associated with the plug and the toggle;
a locking member disposed along the elongated filament and configured to engage the plug; and
a tamper disposed in the deployment body, the tamper defining a proximal end, a distal end spaced from the proximal end along a longitudinal axis, and at least two lumens that each extend from the proximal end to the distal end along the longitudinal axis,
wherein a first lumen of the at least two lumens is configured to receive a guidewire therethrough and a second lumen of the at least two lumens receives the elongate filament therethrough so as to be slidable along the elongate filament,
wherein the tamper is sized so that a proximal end of the tamper slides entirely out of the deployment body to tamp the locking member against the plug.

Review: Patent Ownership

- Ownership first vests to the inventor of a patented invention
- Inventors are those who conceive or contribute to conception and reduction to practice of an invention as claimed in the patent or patent application

Review: Patent Ownership

- Patents are personal property 35 USC § 261
- Transfer of patents rights must be in writing 35 USC § 261
- Employees may have obligation to assign patent rights to the employer by contract or policy
- In the absence of writing that requires assignment of patent rights, employer has implied license to use invention

Patent Ownership

Company A hired A consultant to help conceive and develop a product. Company A has no agreement with consultant concerning inventions.

Who owns the patents and patent applications?

Consultant if he is an inventor

Does Company A have any recourse?

Company A probably has an implied license for use of invention

Part 2: Applying the Basic IP Rights to a New Product

Review

Right	What it Protects	Term
Trademarks	Source of goods/services	As long as it is used in commerce
Copyrights	Creative Works	Shorter of 95 years from publication or 120 years from creation
Trade Secrets	Valuable Secret Information	As long as it kept secret (
Patents	Products, Processes, Devices	20 Years from filing

- New Co. develops a health monitor with a new sensor module that can obtain physiological characteristics that far exceeds data currently obtained by sensor modules on the market. The device includes a communication system that increases data transfer rates. The new device does the work of three different devices and results in far superior data sets. Marketing calls it “newdevice.” The device has an ergonomic shape with sleek design features.
- Developing the new device used a new coding scheme developed in house that is robust and intuitive.
- The new coding scheme can create software used to operate the sensor module.
- The new coding scheme includes open source software that was implemented to make it work as intended.
- The software uses a compilation of physiological data obtained by New Co. over the last 20 years that others do not generally have.

- New Co. develops a health monitor with a new sensor module that can obtain physiological characteristics that far exceeds data currently obtainable from other modules on the market. The device includes a communication module that significantly increases data transfer rates. The new device does the work of three different devices and results in far superior data sets. Marketing calls it “newdevice.”
TRADEMARK

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 - TRADEMARK
 - TRADEMARK
 - an ergonomic shape with sleek design features.
- Developing the new device used a new coding scheme developed by New Co. that is robust and intuitive.
 - ©
- The new coding scheme can create software used to operate the sensor module.
 - ©
- The new coding scheme includes open source software that was implemented to make it work as intended.
 - ©
- The software uses a compilation of physiological data obtained by New Co. over the last 20 years that others do not generally have.

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PATENT

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PATENT

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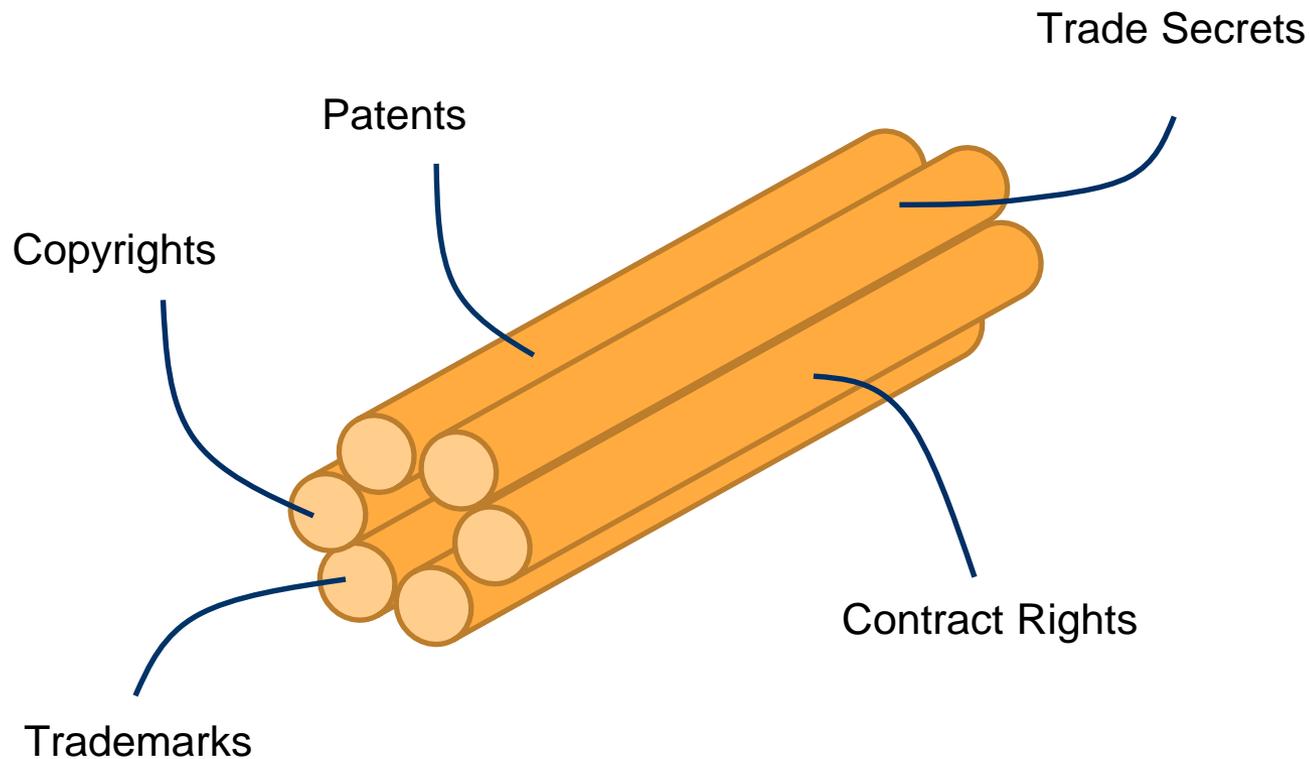
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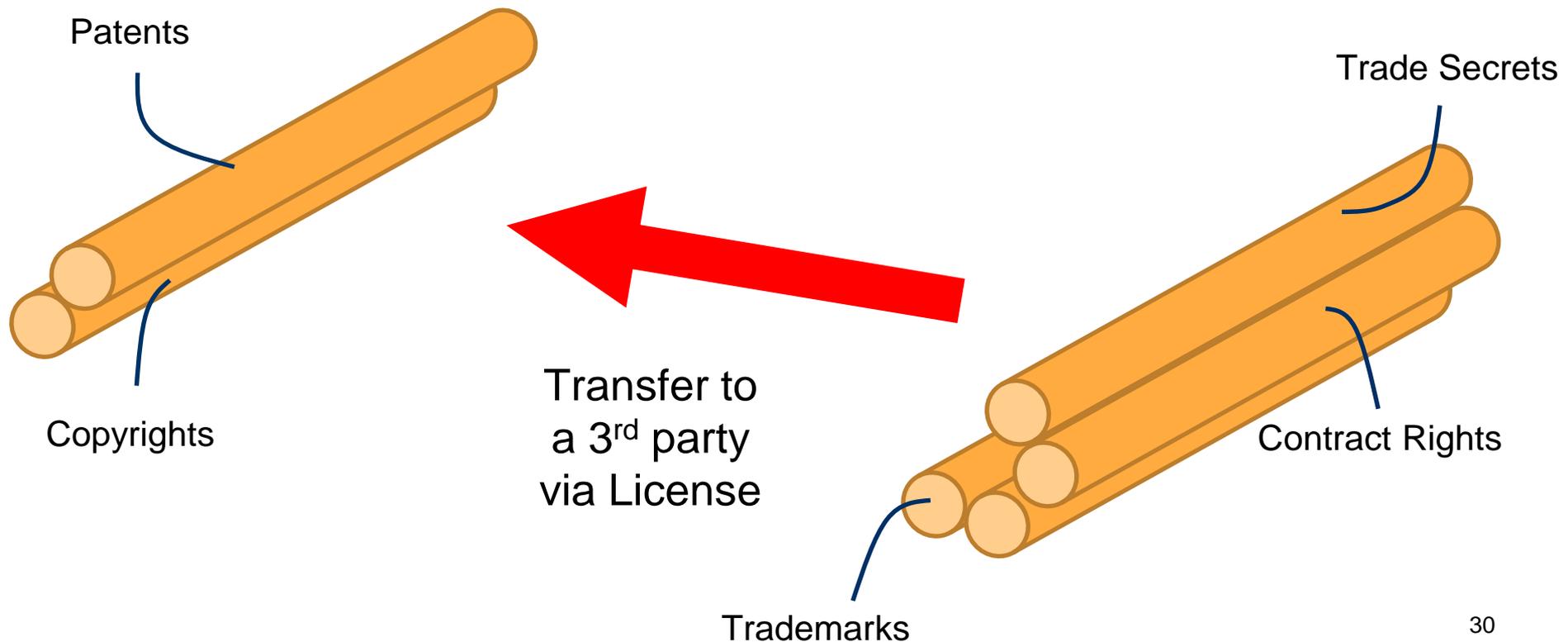
TRADE SECRET

Part 3: IP Licensing Transactions

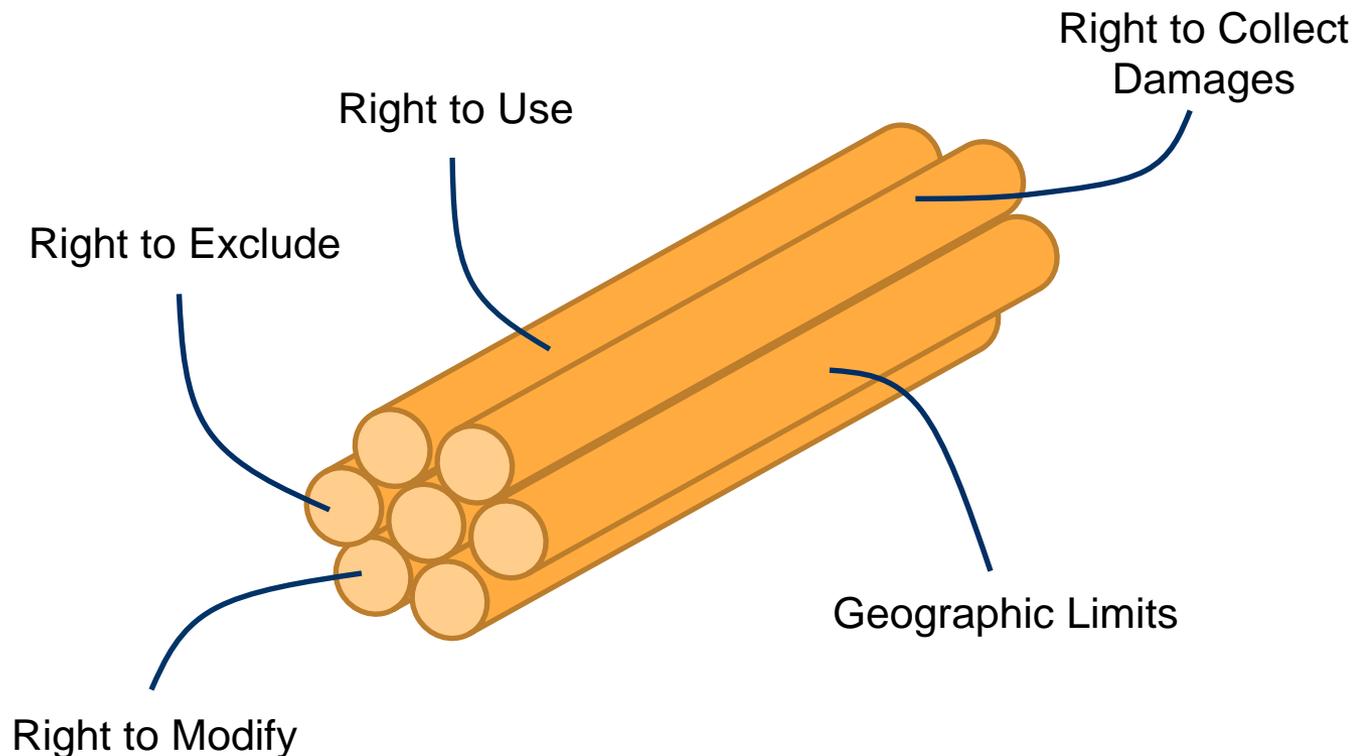
Bundle of IP Rights Associated with a Product



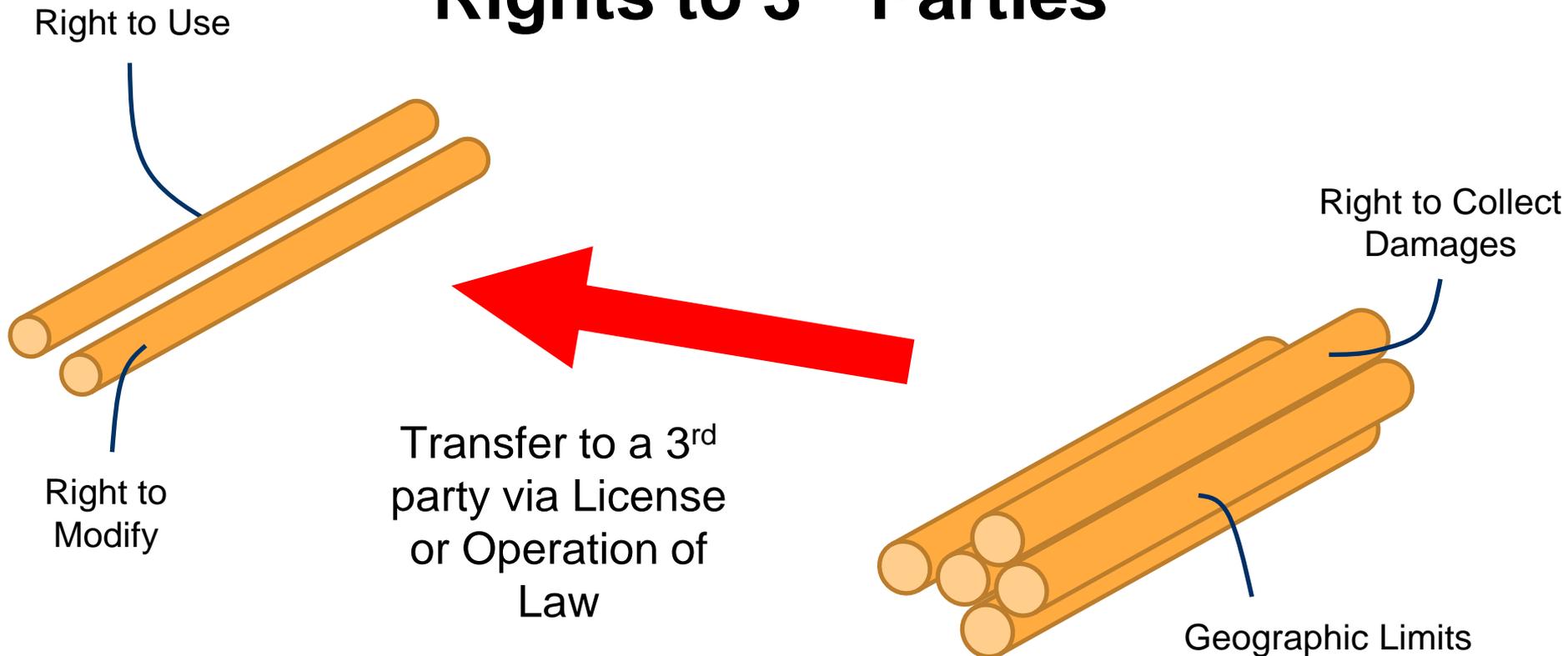
Owners of IP can Freely Grant Certain IP Rights to 3rd Parties via License



Bundle of Rights in Specific Intellectual Property



Owners of IP can Freely Grant Bundle(s) of Rights to 3rd Parties



How does this work?

- Business transactions
 - Supplier/Distributor Agreements
 - Joint Development Agreements/Joint Ventures
 - Technology Transfer

- Merger and/or Acquisition
 - Asset Purchase Agreements

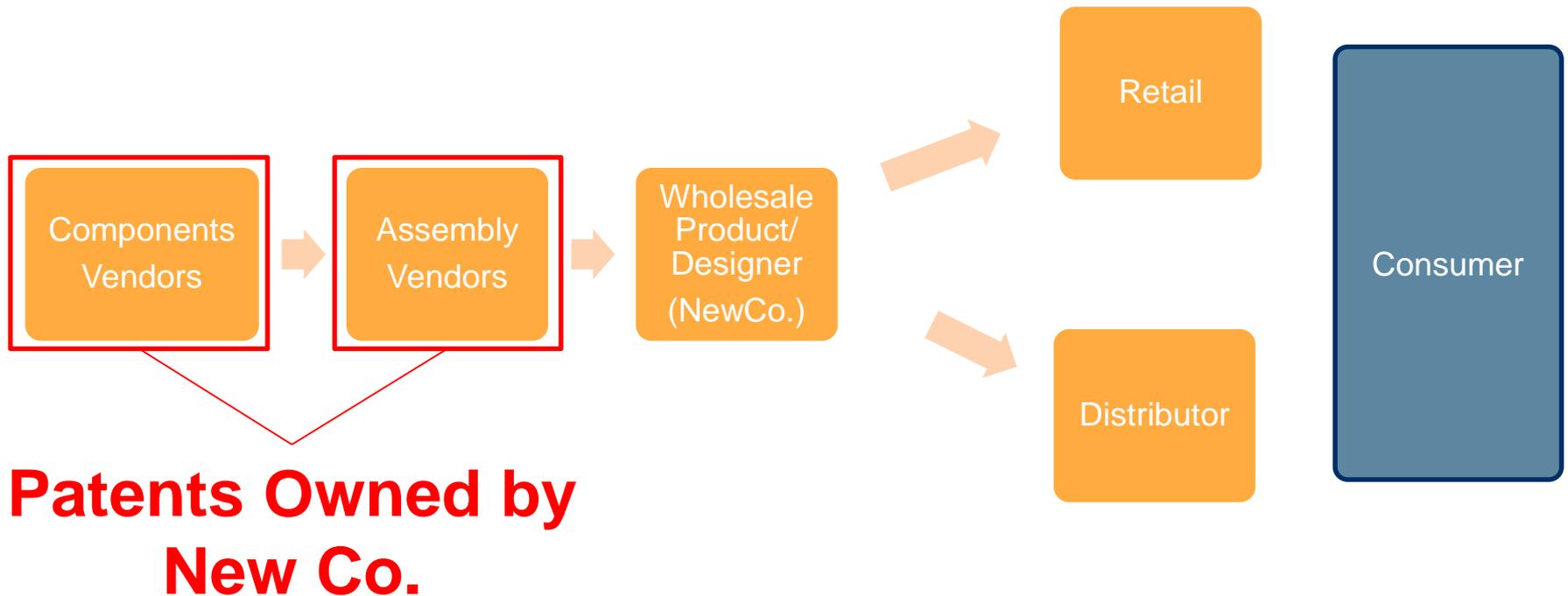
- Litigation
 - Settlement

What if your client does not want to pay for the IP?

- Patent does not cover my activity or patent is not valid
- Prior use of trademark
- Trademark is invalid
- You don't own the copyright!
- Your trade secret is no secret!

Part 4: Supplier Transactions

IP in Supplier Transactions



**Can the vendors sell to 3rd parties?
Not Without Permission from New Co.**

IP in Supplier Transactions

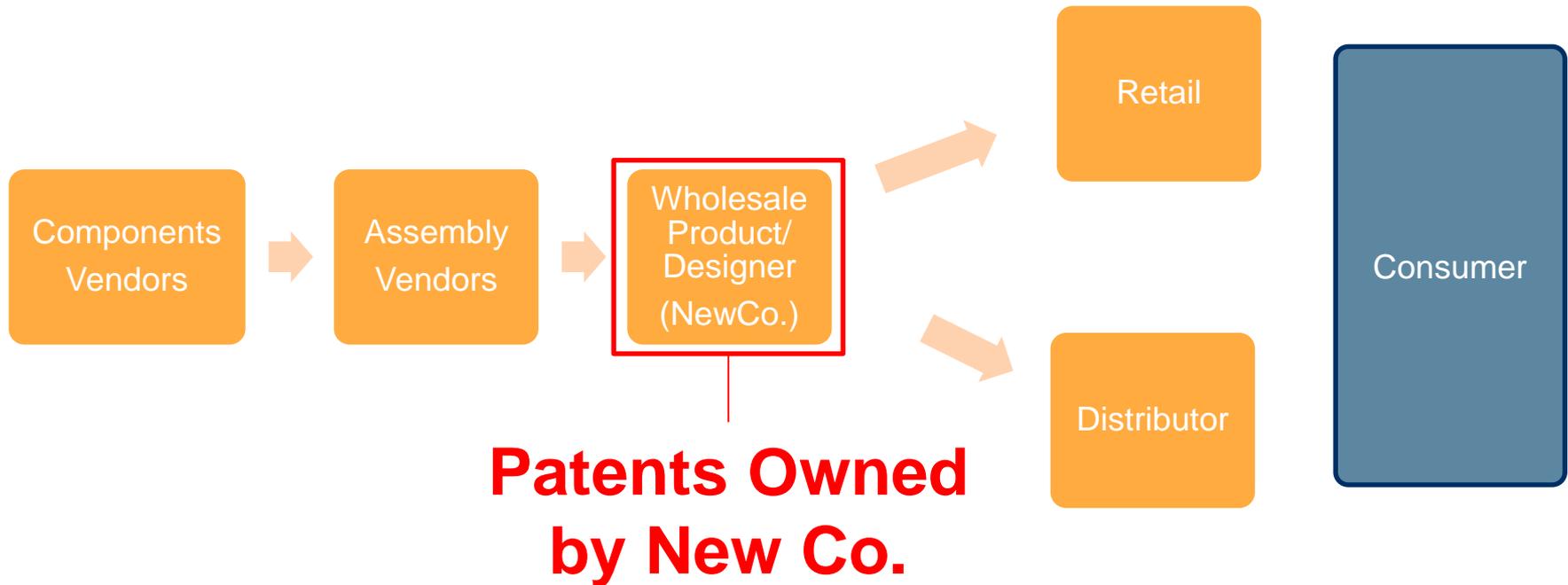


**Patents Owned by
New Co.**

**This is an indirect attack on New Co's competitors
by controlling the supply chain...Protects Top Line**

Part 5: Customer Transactions

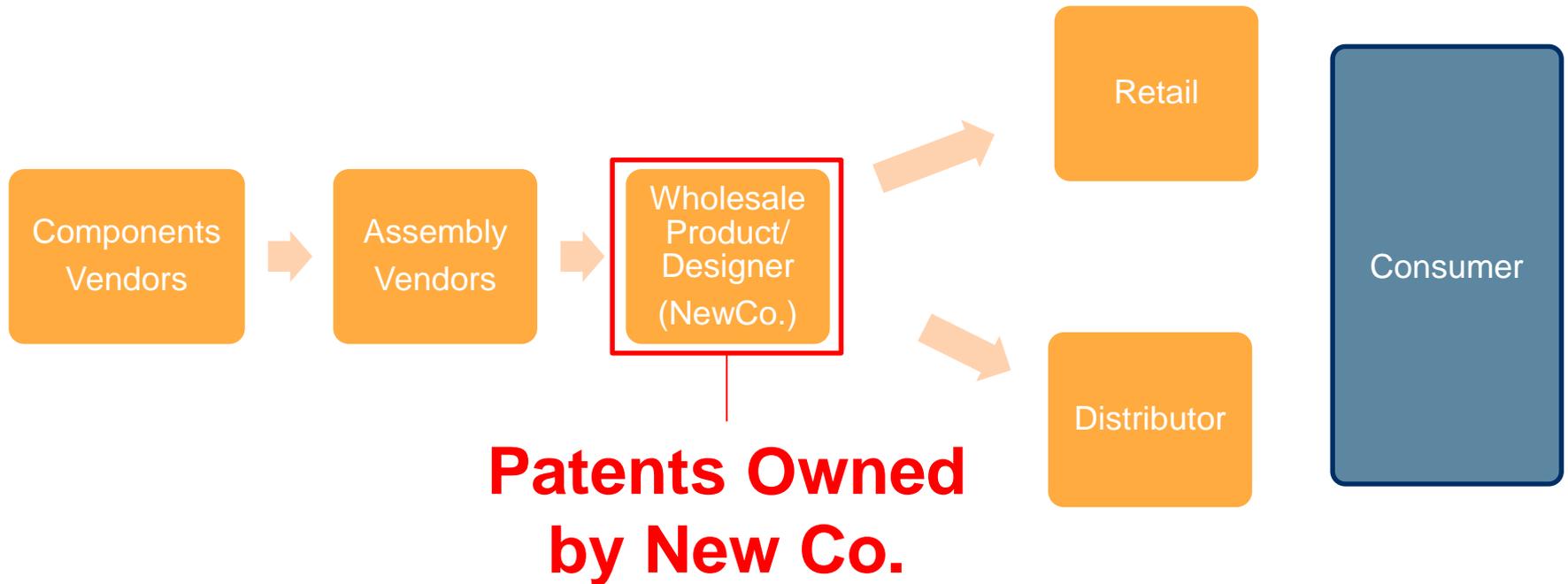
IP in Customer Transactions



Can retailer and distributor buy from a 3rd party?

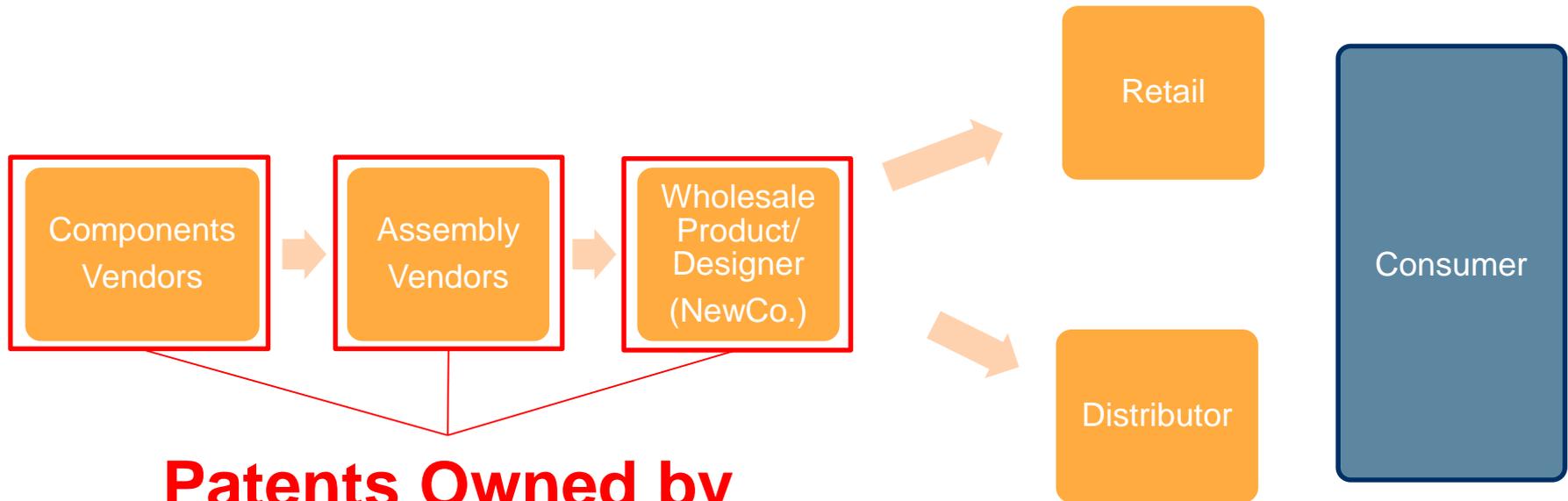
Not Without Permission from New Co.

IP in Customer Transactions



Direct attack on New Co's competitors by controlling the downstream distribution...Protects Top Line

IP in Customer Transactions



**Patents Owned by
New Co.**

Can retailer and distributor buy from 3rd parties?

Can the vendor sell to 3rd parties?

Not without permission from New Co.

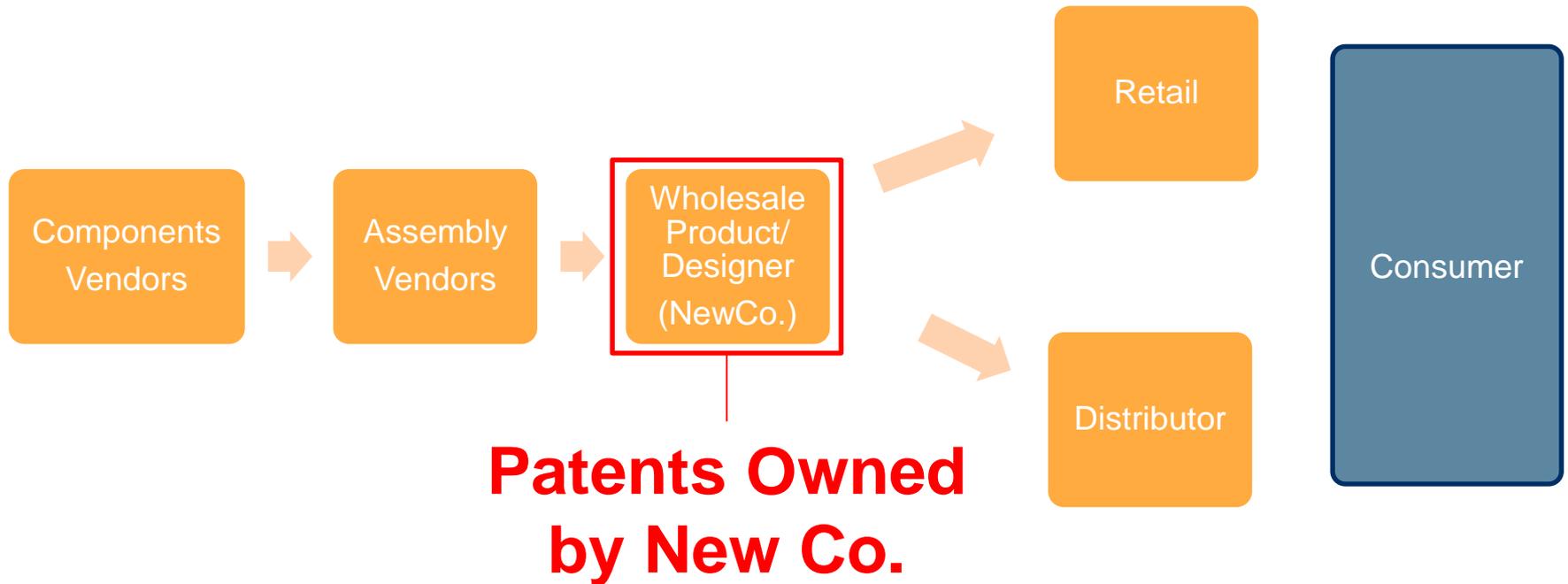
Part 6: Capital Acquisition

Intellectual Property - Due Diligence Inquiry	
A	A list of all intellectual property rights owned by the Business (e.g., patents, copyrights, trademarks, trade names, service marks, etc., including any applications therefore), any agreements, licenses or other documentation related thereto and the expiration dates thereof, and a description of any interest in the intellectual property rights held by senior management or major stockholders. Include (i) a description of the product, device, process, service or business covered by any such rights, and (ii) the name of the registered or other owner of such rights.
B	A checklist, with attachments summarizing and documenting that each issued or pending patent has assignments from the inventors to the Business
C	A list of all persons who participate in development and/or maintenance of products of the business, including all agreements related to assignments of inventions, copyrights, know-how, etc.
D	A list of all intellectual property rights licensed to or from the Business, including, without limitation, any agreements, licenses or other documentation related thereto and the expiration dates thereof.
E	A listing of all previously prepared non-infringement, infringement opinions, including disclosure of any oral opinions
F	Summary listing of all issued and pending patents, indicating each patent matter's applicability/non-applicability to the currently planned commercial products
G	A list of all know-how, trade secrets, technology, technical information and computer software owned or licensed by or to the Company or subsidiary
H	A listing of: <ul style="list-style-type: none"> a. Known competitors developing or selling similar products to the business; b. Known third parties owning patent matters relating to similar products or methods of use; and c. Any known patent matters, not licensed or assigned to the business, that relate to products of the business

The Two IP Issues in Capital Transactions:

1. Is the technology covered?
2. What are 3rd Party IP Risks? What is the plan to address those risks?

1. Is the Revenue Model Protected?



Do the patents cover what the target is going to sell?

2. Are There any 3rd party IP Risks?

Freedom-to-Operate (FTO) Studies: If your company sells a product, would that product infringe a valid 3rd party IP right, e.g. a patent?

In other words, is your investor buying a patent infringement lawsuit?

Due Diligence	Scenario 1	Scenario 2	Scenario 3
Does the IP Cover the Technology?	Yes; patents cover technology and revenue models	Limited Protection or none (e.g. no patents filed)	Limited Protection or none (e.g. no patents filed)
Is there 3 rd Party IP Risk?	Low to Moderate risk but adequate plans in place; FTO study completed	Low to Moderate risk but adequate plans in place; FTO study completed	No FTO conducted; crowded, competitive field
Does the Transaction Close?	Most Often	Less Often	Not Often

Part 7: Avoiding IP Infringement

You develop a product and are close to market release. You have not conducted a patent search to assess your risk of infringement. What do you do?

Freedom to Operate (FTO) study

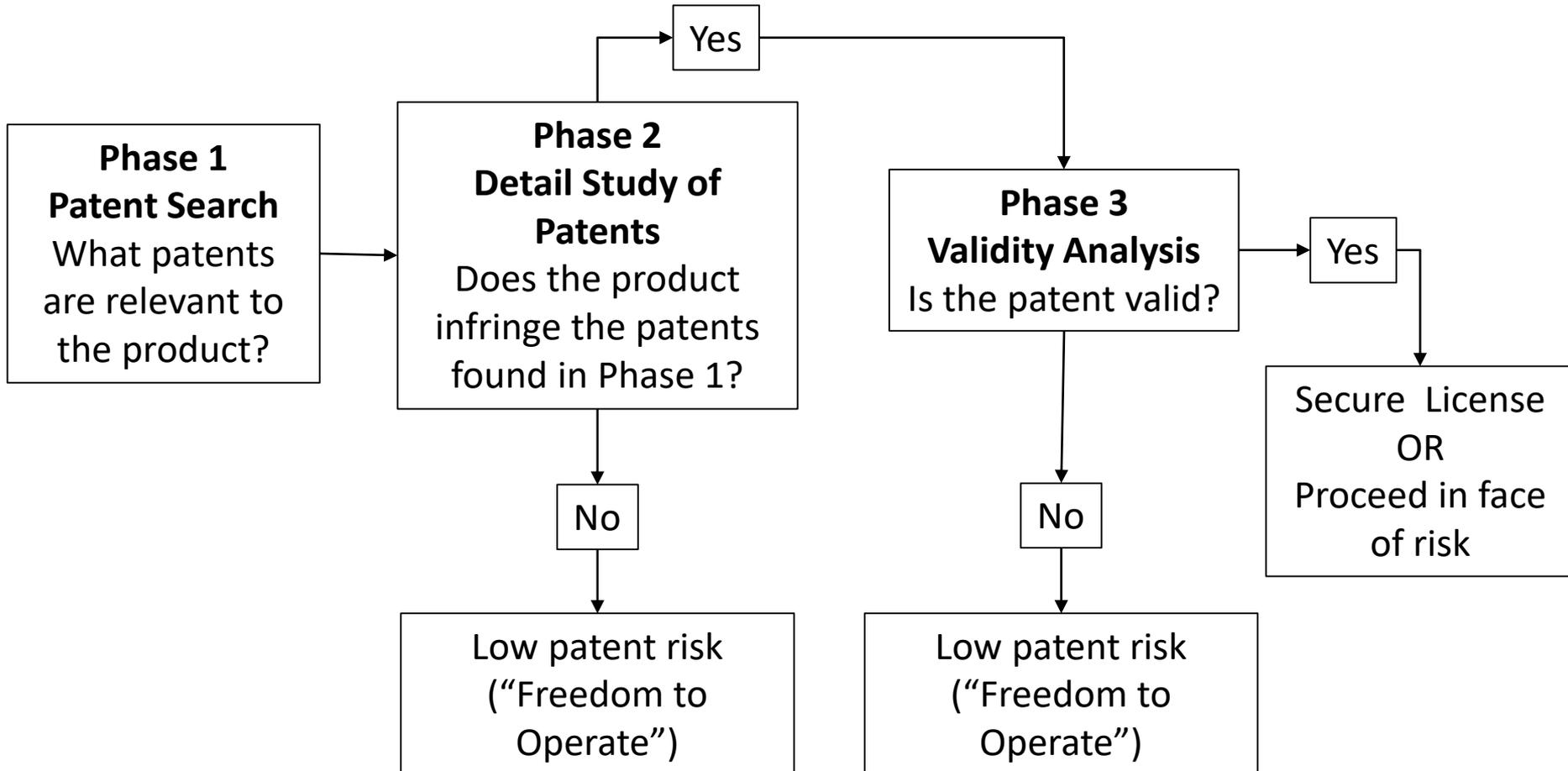
Search and analysis of relevant patents to determine a risk of patent infringement for marketing a product or service in the United States

Compares **commercial product** to claims in a relevant U.S. patent

Why Conduct an FTO study?

1. Business tool to evaluate risk of product launch and/or product development pathway
2. Legal tool to limit damages in response to a willful infringement allegation
3. Investors want freedom-to-operate

Freedom-to-Operate Patent Study



Phase 1 of FTO

Claim 1

A device comprising:

- A) a brown widget,
- B) a grey gizmo,
- C) an actuator, and
- E) a controller.

Product A Includes

- A) a brown widget,
- B) a grey gizmo,
- C) a first actuator,
- D) a second actuator,
- E) a controller

Product B Includes

- A) a brown widget,
- B) **a black gizmo**,
- C) a first actuator,
- D) a second actuator,
- E) a controller

Product A infringes claim 1 – No Freedom to Operate

Product B does not infringe claim 1 – Freedom to Operate

How does an FTO study impact top line, bottom line, and capital?

1. Avoiding infringement avoids unexpected costs – protects bottom line
2. Designing around a patent can generate new IP – protects top and bottom line
3. Risk mitigation attracts capital

Conduct FTO Study at the Right Time

After initial product conception but before large capital outlay

When you make substantial product changes

Questions?

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