

## **PROTECTING AND MANAGING YOUR INTELLECTUAL PROPERTY ASSETS**

What is An Intellectual Property Asset?

An IP (short for Intellectual Property) asset is one which is based on, or consists of, intellectual property, which is generally a form of property created by one's own mind. Intellectual property is the basis for many companies' entire businesses.

Do I Have an IP Asset Which I should protect? Generally speaking, virtually all business have one or more types of IP assets which they should protect and manage, to maximize their profits, enhance their net worth, make their company attractive for strategic alliances, sale, and even for attracting funding. Most, if not all, investors prefer to see well-protected IP assets. Lenders may even use IP assets to secure their loans.

What Are Some Examples of Intellectual Property Assets? For example, a software developer creates code, which is a form of intellectual property. A company creating or customizing a software program would have intellectual property rights. A software distributor selling only software created by others may still create its own packaging, which is a form of protectable intellectual property. It may also develop a distinctive name or logo which is another intellectual property law asset.

Similarly, Internet companies often have many different types of intellectual property, such as the graphic look of a web site, its specific content, the processes which make it work, the domain name itself, the name of the company, and the specific names for its goods or services, to name a few.

Generally, How Do I Protect My Intellectual Property? IP assets are protected by various legal forms of protection, including patents, trademarks, copyrights, trade dress, trade secrets, confidential disclosures, licensing, and in various other ways, including litigation, when necessary, to enforce your rights.

What Is The First Step I Should Take to Protect My IP Assets? The first step to protect your IP assets depends on exactly what type of IP assets you have. For example, if you invent something, the first step would be to keep good records, such as an inventors' notebook, to prove when and how you made the discovery, and you are really the inventor.

If you create original written materials or artwork, including code, text, and logos, you have taken the first step to protection merely by your original authorship. Most of these materials are protected by copyright law, which is automatic upon creation and fixation of the work in a tangible form.

Trademarks, which includes names and logos, are also protected once you have actually used them to sell or offer for sale goods or services; however, you can protect trademarks you intend to use without having used them first by filing an ITU (Intent to Use) application in the U.S. Patent and Trademark Office (the PTO).

Trade dress, which includes protect packaging and product designs, but is broad enough to include aspects of a service business and even the shape of a distinctive building, generally follows the same

rules as trademarks. But there are special rules to consider, such as "image advertising" and not touting the overall product design in your advertising materials.

What Are The Next Steps to Protect My IP Assets? Many forms of IP assets should be "searched" to determine if they are protectable, and to insure that you are not actually infringing on the IP rights of another, such as a patent search or a trademark search. If the invention appears to be patentable, or the trademark or service mark is considered available, then filing a registration in the PTO is normally the very next step for you to take. On the other hand, copyrightable material is not normally searched, and the next step after its creation is usually to file an application to register the work with the U.S. Copyright Office. For a trade secret, you need to take reasonable steps to safeguard it and keep it secret.

Normally you should object if another uses your IP assets without your permission. A written objection, sometimes called a "cease and desist" letter, may be appropriate, or a telephone call, followed by a confirming letter. The cease and desist letter may take the form of an invitation to a license, or a "soft" letter, or a "hard" letter demanding not only that the other company stop immediately from using your IP asset, but demanding its profits from having used your property, and threatening an immediate lawsuit and immediate injunction from the Court.

Be careful, however, because if you threaten to sue for infringement, you may find yourself in a litigation filed in an inconvenient court (like Alaska or South Carolina), where the other company asks that court for a "declaratory judgment" that it is not infringing. Some companies, to avoid this risk, will file a lawsuit first, in their own backyard, then try to resolve the issues without proceeding further in the litigation. It may sound radical, may it often is the most effective strategy to protect your IP rights.

Should I Allow Others to Use My IP Assets, and, If So, Under What Circumstances? Another important step to protect your IP assets is to

prevent others from using your IP assets unless you choose to allow them to do so, and compensate you in a fair and appropriate manner. Of course, IP assets, like other property, can be donated to others, or dedicated to the public, sometimes on an involuntary basis if you fail to take the right steps to protect the IP asset. Generally, you and only you decide who can use your IP assets, and under what circumstances.

Some businesses protect their IP assets, and increase their value, by licensing the asset, under an exclusive or non-exclusive license. Oral licenses should be avoided, as they may jeopardize your IP rights. Other companies prefer to enjoy exclusive use of their own IP assets and will prevent others from using them at all. They will vigilantly watch for any infringement of their IP rights, and object when they become aware of such uses. With a few exceptions, such as compulsory licensing in limited circumstances, the choice is yours.

What Should I Do If Another Business Insists On Using My IP Assets? When another company uses your IP asset, a lawsuit against them is often the ultimate remedy to protect your rights. While it usually is not the first choice, sometimes it is, and sometimes it is the only choice because nothing else will stop the infringement of your IP rights.

The best step is to consult with an attorney who has significant experience in litigation concerning IP assets, and find out what

your options are and what the costs will be for those options. Most attorneys will not charge you for an initial meeting of a reasonable length to see what the problem is and if and how they can help you. Find one you are comfortable with, and don't hesitate to do your own "due diligence" on the attorney. Your choice of an attorney to protect your IP rights may determine how much protection you receive.

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