

IP Do's and Don'ts for Startup Companies



1. DO Develop an IP Strategy

- Work on developing an overall IP strategy.
- Identify goals of your IP portfolio and develop a global strategy that works toward those goals.
- IP strategy should include a budget and filing schedules and identify technologies to be protected.
- IP strategy should identify the best types of IP for your assets (patents, trademarks, copyrights, or trade secrets).
- You can waste time and money without a clear IP strategy.

2. DON'T Skimp on Your IP Budget

- It is critical to develop a realistic budget for your IP, which can be the core value in a startup company.
- Be sure to budget a realistic dollar amount toward protection of all types of IP within your global strategy.

3. DO Consider All Forms of IP

- In addition to patents, consider trademarks, copyrights, and trade secrets as part of your IP portfolio.
- Trademarks and service marks, and related goodwill, can sometimes have greater value than a company's patents.
- Trademarks are far less expensive to obtain and maintain than patents.
- Trade secrets have become more important for life science companies in light of changing patent laws.

4. DON'T File Perfunctory Provisionals

- Provisional patent applications can be valuable components of a company's overall IP strategy.
- Avoid the temptation to file cheap "coversheet" provisionals.
- It is important to carefully describe your inventions in a way that supports later non-provisional applications.
- Coversheet provisionals can do more harm than good.
- It is best to involve IP counsel in the preparation of any provisional patent application to ensure that your application covers the full scope of your inventions.

5. DO Conduct Trademark Searches

- You may be surprised to find that you do not have the right to use your corporate, product, or domain names.
- Conduct trademark, service mark, and domain name clearance searches early on, before a change in your company or product names involves significant expense and loss of goodwill.
- It is best to conduct these searches before you select your corporate name or embark on a marketing campaign for your first product.

6. DON'T Focus Your Patent Applications Solely on Your Specific Technology

- Avoid filing narrow patent applications directed to your initial technology or on a specific commercial product or core process.
- Draft your patent applications to cover various alternative embodiments aside from the company's specific product.
- The market may ultimately adopt an alternative solution that the startup company may have had in mind, but was not detailed in the patent application.
- Brainstorm and try to cover the "big picture."

7. DO Involve IP Counsel Early

- Hire an IP attorney prior to launching your product and prior to any public disclosure of your technology.
- Waiting to file a patent application after a public disclosure, sale, or publication, may lose valuable IP rights.
- You may not even know that barring events have occurred.
- Bottom line: protect your IP early.

8. DON'T Hire the Wrong IP Counsel

- Your IP counsel should be more than a simple contractor who sits in an office and writes patent applications.
- Seek an IP counsel who becomes familiar with your company's industry, technology, and competitors.
- Your IP counsel should be a strategic partner involved with developing and implementing your IP strategy.

9. DO Study Competitors' Patents

- Don't assume you are able to market or sell your product because you own a patent or maintain a trade secret.
- Consider your freedom to operate (FTO) before you design your commercial products and monitor over time.
- Other companies may own patents on one or more features of your product. For instance, even though a company may hold a patent on the screen and display driver used in a cell phone, other companies may hold patents that cover the processor, memory, and video adapter.
- Budget both time and money to identify competitor patents that may impact your ability to sell your product.

10. DON'T Overlook the Details

- Make sure that the company, not the employees or principals, owns the IP.
- All patent applications should be explicitly assigned to the company and all papers should be signed asap.
- Use non-disclosure agreements when dealing with others.
- Establish trade secret policies for all employees and management.
- Failing to tie down and maintain IP rights can cost your company valuable IP rights.

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