

Protecting and Monetizing Your Intellectual Property Assets

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Whether you are a startup business or an established company, identifying, protecting and monetizing your intellectual property (IP) assets is very smart and can be critical to the value and success of your business. This article will explain what intellectual property is and how you can protect it and monetize it. I've been in the IP trenches with a broad variety of clients, including innovators and inventors, basement startups, Fortune 500 companies and their officers and directors, for many years, and bring this experience to Indiano & Williams.

Intellectual property is categorized, expressed and protected via trademarks, patents, copyrights and trade secrets. This article will address trademarks and patents. In a future article I will address copyrights and trade secrets. Read on to see how we can help you with your trademark and patent intellectual property matters.

Intellectual property is *property* – but unlike your house or your car or your guitars, *intellectual* property is something that begins or is born as a thought or an idea, i.e., creations of the mind, something that begins or is born by using your *intellect*, your ability to think about and understand things. As such, intellectual property is *intangible* – it is not physical in nature like your car, your land, your business inventory, or your equipment. An idea for a production process, or an idea for a song, or an idea for a name for your business or your product, or an idea for an invention, are all *intangible* assets – they were born using your *intellect* and exist in your mind. Hence the term *intellectual property*. Intellectual property is intangible by nature.

Now let's add a layer of complexity. Like intellectual property, your or your business' goodwill and brand recognition are also examples of intangible assets. Goodwill and brand recognition are intertwined – one example of goodwill is the value of a company's brand name. A company's brand name is typically protected by applying for and obtaining a trademark registration and then offensively policing the trademark in the marketplace. A trademark is what consumers use to identify the *source* of a product or a service. For example, if you buy a pair of Adidas sneakers, the "Adidas" trademark and the iconic "three stripes" logo identify the source of the sneakers, i.e., Adidas AG. As a consumer, when you purchase a pair of Adidas sneakers, you rely on the Adidas trademarks to assure the sneakers were actually made by Adidas AG and are not counterfeits.

When your trademark is being used without your permission – as is the case with counterfeiters – or if somebody is using a trademark that is confusingly similar to your trademark – it's time to protect your trademark by hiring counsel to send a *Cease and Desist* letter and to commence a trademark infringement lawsuit if necessary. From applying to register your trademark, to licensing or selling your trademark, to protecting your trademark, at Indiano & Williams we can assist you with all your Federal trademark matters.

Patents are another form of intellectual property that can enhance the goodwill and market value of your business, create sources of revenue for your business via licensing agreements, and give your business an advantage over your competitors. A patent rewards you for being an innovator by giving you a monopoly over the invention, product or process covered by your patent for a period of 20 years.

Many clients and attorneys often misunderstand the nature of the right conferred by a patent. *A patent does not give you the right to make or use the invention, product or process covered by the patent – a patent gives you the right to prevent or exclude others from making or using the invention, product or process covered by the patent.* It is an *exclusionary right*. Because the patent gives you the right to exclude others from commercially exploiting the invention, product or process covered by the patent, by default you are the only one who can make or use and sell the invention, product or process. Other businesses can only do so with your permission, which is typically given via a license agreement in which you license the right to make, use and sell the invention or product or process to the licensee in exchange for a royalty fee. This is one way in which you as a patent holder can monetize your patent.

There are situations where someone else owns a patent that they assert prevents you from making or using your invention. Sometimes governmental regulations or laws, such as antitrust laws, will restrict how you can use the invention, product or process covered by a patent. These are complex situations that are beyond the scope of this article but that nonetheless highlight the importance of engaging competent counsel on your patent matters.

At Indiano & Williams we have relationships with “patent prosecutors” at firms here in Puerto Rico and in the mainland United States. Patent prosecutors are lawyers that prepare and submit patent applications for patents to the United States Patent and Trademark Office (USPTO) and “prosecute” them at the USPTO. This is a time-consuming process in which typically the USPTO will reject the application and then the patent prosecutor amends the application to address the USPTO’s concerns and submits the amended application. This cycle can repeat itself a number of times before the patent is ultimately granted or the application is finally rejected. If you have an idea for an invention, product or process and are interested in applying for a patent, we can steer you in the right direction and put you in touch with the right patent prosecutor for your specific needs.

If you already own a patent and want to explore how to monetize it, we can help you. If you own a patent and you believe somebody is infringing the patent, we can help you. If you are accused of infringing a patent, we can help you. In *Upjohn Co. V. Mova Pharmaceutical Corp.*, 951 F. Supp. 333 (1997), Indiano & Williams successfully represented the defendant pharmaceutical company through trial to obtain a jury verdict of non-infringement.

One aspect of patent law that is overlooked or misunderstood by IP law practitioners is that once you show that your patent has been infringed, *you are at a minimum guaranteed to recover damages in the form of a reasonable royalty*. Therefore, you do not have to undertake the costly, complex and often speculative burden of showing and proving lost profits, which is the traditional type of damages sought by a plaintiff patent holder in an infringement case.

In patent law, lost profits are profits that you – the plaintiff patent holder – would have made *but for the infringement*, so there must be a direct causal connection between the infringement and the alleged lost profits. However, because many other factors usually influence why a purchaser or user decides to buy or use a particular invention, product or process other than the patented invention, product or process, establishing lost profits is extremely difficult. Courts routinely toss lost profits damages claims because they are speculative. Establishing a reasonable royalty, i.e., what a licensee would pay for using the patented invention, product or process, is a simpler, much less complex and costly endeavor. I have been involved in cases where once infringement was shown, the defendant infringer did not want to risk having a high royalty fee set by the Court and agreed to settle the case by entering into a license agreement in exchange for a royalty fee that was acceptable to both sides.

Whether you are a solo inventor, an educational institution, a research laboratory, a product manufacturer, or a pharmaceutical company, and you have an intellectual property matter or question, please call us so that we can assess your case and discuss your options.

Patent law and trademark law are complex and involve many issues that are beyond the scope of this article. Every case and every client are different. But patents and trademarks are both primarily governed by Federal law. Indiano & Williams has deep experience in matters that are litigated in Federal Court and is one of San Juan's most well-respected law firms that handles cases in Federal Court in Puerto Rico. We look forward to assisting you with your intellectual property matters.

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