

# Intellectual Property Agreements

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THOUGHT LEADERS  
IN HEALTH LAW®



# Intellectual Property Tools

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- Intellectual Property tools:
  - Create barriers to entry.
  - Create incentives for research and development.
- Tools include:
  - Patent.
  - Copyright.
  - Trademark.
  - Trade Secret.
  - Contract.
- Focus today on contracts.



# Contracts

- A contract is any legally-enforceable promise or set of promises made by one party to another.
- Today we will examine Agreements effecting IP rights and related to:
  - Employment;
  - Confidentiality; and
  - Revenue generation.

# Employment Agreements

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- Goals
  - Preserve IP rights.
  - Avoid litigation.
  - Ownership/assignment of IP rights.
  - Confidentiality.
  - Duties & responsibilities.
  - Policies re termination.

# Employment Agreements

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- Key Terms.
  - At will employment.
  - Non-disclosure and protection of trade secrets.
  - Will not use trade secrets and/or proprietary information from past employers or other outside sources.
  - Will surrender all hard and e-copies related to proprietary information upon employment termination.
  - Standard NDA provisions.

Continued...



# Employment Agreements

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- Key Terms Continued.
  - Works created shall be considered MADE FOR HIRE
    - Waive compensation or benefits related to such works.
    - Will assist company as needed to protect such works.
    - Will assign all title to such works to company.
    - Provide a listing of all works created prior to joining company.
    - Will maintain written records of all innovations conceived or reduced to practice during employment.
    - Will return all such records to company upon employment termination.
    - Agree to execute termination certificate (which is an exhibit of employee agreement) upon employment termination.
    - For one year following employment termination agree to disclose subsequent innovations that relate to innovations conceived or reduced to practice during employment.
  - Consent to notify a subsequent employer as to rights and obligations under this Agreement.
  - Nonsolicitation/recruitment term.
  - Agree to conflict of interest guidelines (which are attached as exhibit).



# Confidentiality Agreements

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- Why is Confidentiality Important?
  - Every disclosure gives others insight into the Company, insight that they can use to their competitive advantage.
  - Every disclosure provides a risk to the protection and maintenance of intellectual property.
    - Patent
      - Time Bars
      - Strict Novelty
    - Trade Secret
      - Duty to Maintain Reasonable Level of Secrecy,
      - Without Confidentiality All Rights are Gone.

# Confidentiality Agreements

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- What is a trade secret?
  - Any confidential information, not known to the public or others in the industry, which gives a business an economic or competitive advantage.
  - May include technological information or strategic business information.

# Confidentiality

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- How to protect?
  - Non-disclosure Agreements.
  - Non-compete Agreements.
  - Procedures and Policies in Place to Maintain Secrecy.

# Confidentiality

- Discloser preferences
  - Definition of confidential/proprietary information should be broad.
  - No modification, translation or creation of derivative works by recipient.
  - Recipient may not remove any copyright, trademark, patent or other proprietary notice that appears on the disclosure.
  - Upon request, recipient will verify in writing that any Confidential Information licensed under the Agreement is being used in accordance with the terms and conditions of the Agreement.
  - Recipient will notify discloser if any such person, firm or entity has violated or intends to violate the confidentiality provisions of the Agreement.
  - Recipient will be liable for the acts or omissions of such person, firm or entity in breach of the confidentiality provisions of the Agreement.
  - Recipient will agree to cooperate with Discloser's reasonable requests in seeking injunctive or other relief against any person, firm or entity who accessed such Confidential Information violating or intending to violate the Agreement.
  - Long term.

# Confidentiality

- Recipient preferences:
  - Definition of confidential/proprietary information should be narrow.
  - Eliminate terms that result in an administrative burden.
  - Short term.
  - Residual clause; e.g.
    - The recipient may use in its business activities the ideas, concepts, and know-how contained in the Discloser's Information which are retained in the memories of Recipient's employees that have had access to the Information under this Agreement.

# Confidentiality

- Common exclusions from the definition of confidential information:
  - Information that was publicly available or known to researchers prior to the effective date of the agreement or independently known;
  - Information that becomes publicly available through no fault of the site or recipient;
  - Information known to any recipient prior to date of disclosure or that becomes known via a third party with no restriction on release of the information; and
  - Information required by law regulation or valid court order to be disclosed.
- Discloser would want this exclusion subject to an agreement by Recipient to:
  - obtain maximum available confidential treatment for such Confidential Information;
  - Give discloser prompt written notice of such requirement to disclose prior to such disclosure (or as soon as is reasonably practicable); and
  - assist discloser as is reasonably necessary in obtaining a protective order securing confidential treatment for such Confidential Information.

# Confidentiality

- Summary
  - Beware of term:
    - Remember a trade secret can last forever... but not if the NDA term cuts it short.
  - The relationship is more important than the Agreement.
  - The Discloser can control what is disclosed. Only disclose that which is necessary to achieve the business purpose.

# Strategic Alliances

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- Revenue generating opportunities may be available through a broad range of strategic alliances.
- One size does not fit all; use contract templates with caution.
- For more meaningful negotiations:
  - Establish realistic objectives and expectations;
  - Establish clear lines of communication between parties and identify contract liaisons;
  - Review/update templates periodically, particularly master agreements; and
  - Maintain executed contracts file.

# Strategic Alliances

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- Intellectual Property Basic Tips.
  - Preserve preexisting IP rights.
  - Define what constitutes an “invention”.
  - Define interests in jointly-developed IP.
  - For any federally-funded research, must include provision that IP rights are subject to rights of the U.S. government under the Bayh-Dole Act.
  - Identify who bears filing costs. Who has decision control.
  - Specify procedure if licensing negotiations break down.

# Strategic Alliances

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- CREATE Act.
  - Signed into law on December 10, 2004.
  - Certain work owned by collaborators of a patent applicant should not be considered prior art for purposes of an obviousness determination.
  - Previous case law held that shared confidential information could be invalidating prior art when the inventors of that confidential information were not obligated to assign their rights to the patent applicant.
  - This created a situation where an otherwise patentable invention could be rendered non-patentable due to the exchange of confidential information between research partners.

Continued...



# Strategic Alliances

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- CREATE Act. – Cont.
  - To benefit from this safe harbor, joint research partners should:
    - Reduce the joint research agreement to writing.
    - The effective date of the joint research agreement must be prior to the exchange of confidential information.
    - The agreement should state that it is for purposes of “performance of experimental, developmental, or research work in” the intended field of endeavor.
    - The agreement should clearly state the intended field of endeavor – and if needed, promptly amended to include additional fields as applicable.

Continued...



# Strategic Alliances

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- CREATE Act – Cont.
  - Continued Requirements to Benefit From the CREATE Act:
    - The Agreement must require that all related patent applications filed, specifically state that the work was performed under the scope of the Joint Research Agreement.
    - Both parties must cooperate in the joint enforcement of any issued patents.
    - A summary or non-confidential version of the Joint Research Agreement must be filed with the US PTO.
    - The Agreement should specifically state that it is intended to fall within the Safe Harbor.
    - Maintain logs of related Applications and issued Patents

Continued...



# Strategic Alliances

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- CREATE Act – Cont.
  - The CREATE Act does not apply to any final decision of the court or US PTO rendered prior to the date of enactment.
  - Can apply to applications pending on or after December 10, 2004.
  - Obtaining benefits through existing Joint Research Agreements:
    - Review existing Agreements and amend as necessary.
    - Edit pending specifications to state that the work was performed under the scope of a Joint Research Agreement.
- Article re CREATE Act in back of room.



# Strategic Alliances

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- Today we will briefly discuss:
  - Joint Venture;
  - License;
  - Clinical Research Agreements;
  - Clinical Trial Agreements;
  - Value Added Reseller (Software Example);
  - Distribution Agreements; and
  - Government Contracts.

# Strategic Alliances – Joint Venture

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- There are many considerations in structuring and financing a joint venture:
  - Legal structure and choice of venture entity;
  - Ownership percentages;
  - Legal form of venturers;
  - Capital sources; and
  - Tax considerations.
- There are also considerations related to the legal structure of the joint venture vehicle:
  - Forms of business association available for joint venture;
  - Corporate capitalization;
  - Corporate control devices;
  - Special partnership issues; and
  - Permits or government approvals for venture (Other than exchange control).

# Strategic Alliances – Joint Venture

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- Considerations related to management and control include:
  - Role of parent companies or venturers;
  - Board of directors; and
  - Officers.
- Considerations related to operational issues include:
  - Production or sales targets;
  - Quality targets;
  - Target for return on investment;
  - Pricing policy;
  - Ancillary agreements with venturers; and
  - Labor and employment problems.

# Strategic Alliances – Joint Venture

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- Considerations related to marketing of joint venture products include:
  - Rights of venturers to sell in competition with joint venture; and
  - Use of distributors, other non-venture Parties for marketing.
- Considerations related to proprietary assets include:
  - Protection of trade secrets;
  - License agreements from venturers to joint venture;
  - Confidentiality agreement among venturers and joint venture;
  - Customer confidential information;
  - Licensing of venturers' patents to third parties; and
  - Use and ownership of trademark, tradenames of venturers.
- Other considerations include:
  - Termination of joint venture agreement;
  - Dissolution of the joint venture; and
  - Dispute resolution.

# Strategic Alliances – License

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- Definition: Grant of Some of an Owner's Incidences of Ownership in an Intellectual Property to Another.
- Potential Subjects of License:
  - Patents;
  - Trademarks;
  - Service Marks;
  - Utility Models;
  - Designs;
  - Formulas;
  - Know-How;
  - Proprietary Processes;
  - Trade Secrets;
  - Proprietary Methods of Manufacturing; and
  - Other.
- Often Used in Conjunction with Common Agreements in the Software Realm: Open Source, OEM, VAR, Turnkey, Development, Distribution.

# Strategic Alliances – License

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- Advantages:
  - Limited capital investment;
  - No presence required in foreign market;
  - Reduced exposure to local market conditions;
  - Ability to depend upon established business presence in market;
  - tax treaty planning advantages;
  - Opportunity to extend product life cycle by licensing outdated technology; and
  - License “Spin-Off” technology not directly applicable to principal business of licensor.
- Disadvantages:
  - Minimum risk equals reduced profit potential;
  - Limited ability to control license protection and distribution;
  - Limited ability to enforce quality standards;
  - Dependence upon foreign licensee;
  - Possible creation of direct competitor of Licensor; and
  - Exposure to foreign taxation.

# Strategic Alliances – License

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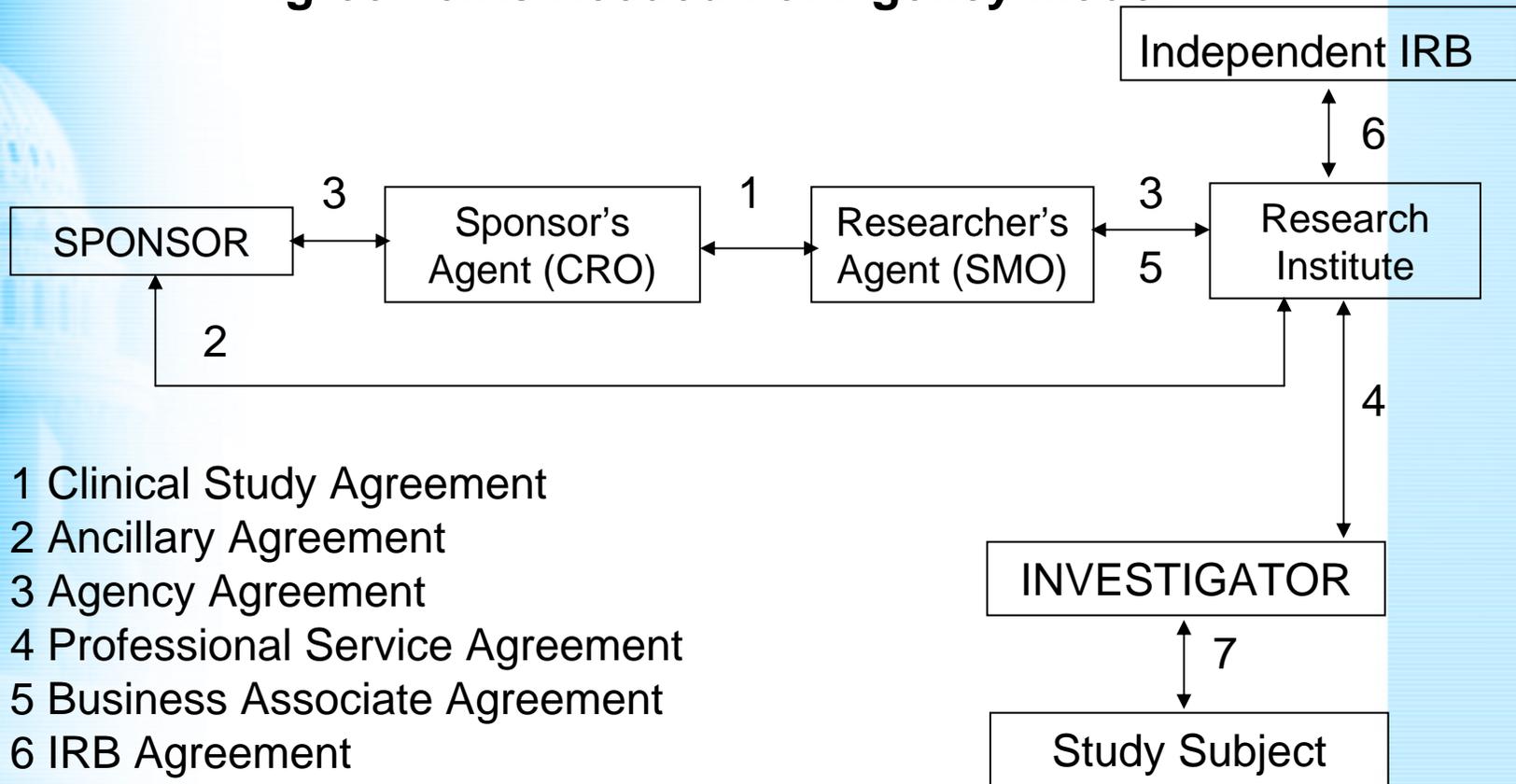
- Most Important Key to Success—Licensee.
- License Agreement—Key Terms:
  - License property rights: clearly defined;
  - Royalty fee;
  - Exclusive or non-exclusive;
  - Territory;
  - Improvements to process or products;
  - Term and termination;
  - Duty to report infringements;
  - Applicable law
    - Can have consequences eg UCITA still law in VA and MD (Uniform Computer Information Transactions Act);
  - Arbitration; and
  - Indemnification.

# Strategic Alliances – Clinical Research Agreement

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## RELATIONSHIPS AMONG CLINICAL RESEARCH PARTICIPANTS

### Agreements Needed For Agency Model



- 1 Clinical Study Agreement
- 2 Ancillary Agreement
- 3 Agency Agreement
- 4 Professional Service Agreement
- 5 Business Associate Agreement
- 6 IRB Agreement
- 7 Informed Consent/HIPAA Authorization

# Strategic Alliances – Clinical Research Agreement

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- Principal Investigator, Clinical Research Agreement, Clinical Trial Agreement.
  - Sets forth basic parameters of the nature/length/ scope of clinical study at a particular site.
  - Includes study protocol as an exhibit.
  - May include compensation terms.
  - Primary terms:
    - Data collection;
    - Confidentiality;
    - Insurance;
    - Indemnification;
    - Publication rights; and
    - Intellectual Property rights.
- May be two/three party contract.

# Strategic Alliances – Clinical Research Agreement

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- Ancillary Agreements
  - Contract between principals (i.e., sponsor/ investigator) or written for benefit of the investigator regarding terms that are not fully addressed in Clinical Study Agreement.
  - Will be necessary where sponsor is not a party to the Clinical Study Agreement.
- May include:
  - Sponsor's representations regarding ownership of study drug/product;
  - Sponsor's indemnification obligations;
  - Sponsor's acknowledgement of its agent's authority;
  - Study budget; and
  - Acknowledgement of nature of relationship between Research Institute and Investigator.
- Often prepared in letter format.



# Strategic Alliances – Clinical Research Agreement

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- Agency Agreements.
  - Describe nature/extent of one party's ability to represent and obligate another to certain contractual terms.
  - May be study specific or master agreement covering multiple studies.
  - May grant signatory authority to agent or may limit agent's role to negotiation of study terms only.
  - Will include compensation terms.
  - May include data rights provisions.
- Agreements tend to be highly proprietary.
- Professional Services Agreements.
  - Documents relationship between the Investigator and Research Institute.
  - May be an employee-employer relationship.
  - May be an independent contractor relationship.

# Strategic Alliances – Clinical Research Agreement

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- Business Associate Agreements.
  - Will be required where agent working on behalf of the research site or investigator is given access to protected health information of study subjects in connection with the conduct of the study.
- Agreements with Others:
  - IRB Agreement;
  - Informed Consent Document; and
  - HIPAA Authorization Document.

# Strategic Alliances – Clinical Trial Agreement

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- General provisions.
  - Identify the parties.
  - Sponsor, CRO, Institution and/or Investigator.
  - Recitals.
  - Objective of the research.
  - Objectives of each of the parties.
  - Qualifications of the parties.
  - Scope of Work:
    - Principal Investigator's duties and responsibilities;
    - Study Schedule; and
    - Representations and warranties.
  - Term and Termination:
    - Survival of Obligations.
  - Compensation:
    - Study Budget; and
    - Time and Effort.

Continued...



# Strategic Alliances – Clinical Trial Agreement

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- General Provisions – Continued:
  - Reporting Obligations:
    - Access to records.
  - Data Ownership and IP issues.
  - Legal compliance.
  - Confidentiality:
    - Sponsor information;
    - Study site information; and
    - Joint information.
  - Publication rights.
  - Use of name.
  - Indemnification.
  - Injury compensation.

# Strategic Alliances – Clinical Trial Agreement

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- Specific Issues.
- Scope of research.
  - The terms of the agreement can help establish regulatory compliance.
  - Representations, warranties, and indemnification help establish an arms-length transaction.
  - Scope of work, term, and budget help establish fair market value.
    - Includes termination provisions for safety reasons, failure to comply with the protocol, or failure to comply with relevant law.

Continued...

# Strategic Alliances – Clinical Trial Agreement

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- Specific issues – Continued
- Compensation.
  - OIG Fraud Alert (1994): Unrestricted “grants” for research may violate Anti-Kickback Statute if the intent is to induce or reward business billable to Medicare.
  - Establish a budget to determine the fair market value for the services performed.
  - Avoid linking remuneration to any other business between the sponsor and the site or researcher.
  - Avoid volume payments or bonuses.
  - Establish time and effort reporting system.
  - Determine responsibility for administrative costs (ex: initial and subsequent IRB reviews).
  - Establish milestones for progress payments.
  - Determining which costs will be covered by the sponsor.
    - Any waiver of costs must avoid beneficiary inducement penalties.
    - Coordinate with any private insurance to avoid “double dip”.
    - Coordinate with Medicare reimbursement policies.

Continued...

# Strategic Alliances – Clinical Trial Agreement

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- Specific Issues – Continued
- Reimbursement.
  - Medicare National Coverage Determination:
    - Program covers routine costs of “qualifying clinical trials” along with diagnosis and treatment of complications.
      - “Qualifying clinical trials” include government-sponsored or funded trials, IND trials, and IND-exempt trials.
      - Routine costs do not cover:
        - » Investigational item or service itself;
        - » Items and services provided solely for protocol data collection and analysis, and not used for direct clinical management of the patient; and
        - » Items and services typically furnished without charge.

Continued...

# Strategic Alliances – Clinical Trial Agreement

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- Specific Issues – Continued
- Time and Effort Reporting.
  - Establishing bona fides of the Agreement:
    - Establishing fair market value of the compensation or remuneration;
    - Setting conditions for payment of compensation or remuneration;
    - Creating auditable paper trail for verifying work performed and deliverable data or other work product; and
    - Ensuring compliance with compliance program(s).

Continued...

# Strategic Alliances – Clinical Trial Agreement

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- Specific Issues – Continued
- Scope of Work:
  - Defined in the protocol:
  - Include IND/IDE status and FDA designation, if possible:
  - Identify that site is part of a multi-center trial; and
  - Using the definition of the scope of work to define IP rights.
- Term and Termination.
  - Term helps establish FMV.
  - Termination: immediately, upon written notice to the other party, in order to protect subjects' safety.
  - Termination for cause:
    - Unacceptable clinical data;
    - Failure to comply with protocol; and
    - Failure to comply with relevant law.
  - Termination without cause.
  - Termination at request of regulatory body (e.g., FDA).

Continued...

# Strategic Alliances – Clinical Trial Agreement

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- Specific Issues – Continued
- Post Termination Obligations:
  - Return/destruction of confidential information;
  - Safeguarding PHI;
  - Return of case report forms, unused drug/device and related equipment and supplies; and
  - Surviving obligations (ex: IP, use of name, confidentiality, indemnification, compensation).

Continued...

# Strategic Alliances – Clinical Trial Agreement

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- Specific Issues – Continued
- Indemnification.
  - Study site wants:
    - Indemnification by the sponsor for any material breach of the research Agreement and negligent or wrongful acts or omissions of Sponsor;
    - Indemnification should cover all site investigators, staff, officers, directors, affiliated professionals and administrative bodies (e.g., CROs); and
    - Indemnification should cover all claims, damages, liabilities, costs, and expenses (including attorneys' fees).
  - Sponsor wants:
    - Indemnification from damages arising from negligent or willful failure to comply with the terms of the protocol;
    - Indemnification from damages arising from material breach of the warranties under the Agreement; and
    - Indemnification from negligent, willful, or reckless conduct of the study site, and any agents or employees.
  - Other Provisions
    - Prompt notice of claim;
    - Control of defense of claim;
    - Cooperation; and
    - Selection of counsel.

Continued...

# Strategic Alliances – Clinical Trial Agreement

EPSTEIN BECKER & GREEN P.C.

- Specific Issues – Continued
- Compensation for Injuries.
  - Study Site wants broad indemnification from sponsor to cover all of the costs for care and treatment of any injury related to the study.
  - Sponsor wants to limit costs to:
    - Injuries sustained by subject if site acted in strict accord with the protocol; and
    - Costs of care and treatment that are not covered by subject's health care benefits program.
- Compromise language:
  - Sponsor agrees to assume responsibility for the direct costs of medical care required by a subject as an immediate and direct result of an injury due to participation in the Study and in full compliance by the Site with the Study Protocol, to the extent that these costs are not covered by any health care benefits program, including hospital or medical insurance or any government-funded program providing such coverage.

Continued...



# Strategic Alliances – Clinical Trial Agreement

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- Specific Issues – Continued
- Use of Party Names.
  - Limits on use of sponsor's name.
    - Typically limited to use of name for advertising, promotional purposes without sponsor's prior written approval.
    - Sponsor wants to avoid FDA risks.
    - Fewer limits on use of sponsor's name for publication and for grants.
  - Limits on use of site's name.
    - Typically limited to identifying site as participating.

Continued...

# Strategic Alliances – Clinical Trial Agreement

EPSTEIN BECKER & GREEN P.C.

- Specific Issues – Continued
- Confidential Information.
  - Sponsor's confidential information.
  - Handling study data, research results, or other information generated by the study site.
  - Impact on publication rights of PI.
  - Establish time frame during which each party agrees not to disclose confidential information.
  - With publicly-traded companies, notice that information may be material inside information for securities purposes.
- Common exclusions from the definition of confidential information:
  - Information that was publicly available or known to researchers prior to the effective date of the agreement or independently known;
  - Information that becomes publicly available through no fault of the site or recipient;
  - Information known to any recipient prior to date of disclosure or that becomes known via a third party with no restriction on release of the information;
  - Information required by law to be disclosed; and
  - Information needed to treat study subject.

Continued...

# Strategic Alliances – Clinical Trial Agreement

EPSTEIN BECKER & GREEN P.C.

- Specific Issues – Continued
- Confidential Information - Continued
  - Impact of HIPAA on disclosures:
    - Site and Sponsor shall comply with all applicable laws and regulations, as such laws and regulations apply to each party, relating to the use and disclosure and privacy and security of individually identifiable health information of study subjects including but not limited to the requirements of the Health Insurance Portability and Accountability Act of 1996. Sponsor shall hold in confidence the identity of the participants in the Study and shall comply with applicable laws regarding confidentiality of subject records. Each party shall use subject individually identifiable health information pursuant to the subject's written authorization and informed consent forms.

Continued...

# Strategic Alliances – Clinical Trial Agreement

EPSTEIN BECKER & GREEN P.C.

- Specific Issues – Continued
- Publication Rights.
  - Uniform Requirements for Manuscripts Submitted to Biomedical Journals.
  - Authors must disclose details of their role and sponsor's role in the research.
  - Must disclose all relationships that may present a conflict of interest.
  - Authors may be required to make certain certifications.
  - Sponsor may review manuscripts prior to submission to determine whether or not there is any IP or confidential information that needs to be protected.
  - Sponsor cannot require advance consent to publish or block publication of study results.
  - Compromise Language: The site may publish the results of the Study in accordance with standards commonly accepted by the scientific/academic community.

# Strategic Alliances – Clinical Trial Agreement

EPSTEIN BECKER & GREEN P.C.

- Ownership Issues
  - Study Data
    - Study Site:
      - Data belongs to the party that developed the data, or ownership must be equitably allocated.
    - Sponsor:
      - Site already compensated at fair market value for work performed, so sponsor owns the study data and takes the entrepreneurial risk.
    - Sponsors may condition funding on:
      - All rights to inventions created as a result of the study protocol; and
      - Site agrees to assign exclusive ownership to the sponsor.
    - Site may want IP rights, which may be affected by:
      - Location(s) of the study;
      - Nature of the study;
      - Contribution to the study protocol (ex: new developments);
      - Interests of the sponsor; and
      - Mission of the site (public or private institution).

Continued...

# Strategic Alliances – Clinical Trial Agreement

EPSTEIN BECKER & GREEN P.C.

- Ownership Issues - Continued
  - Study Data – Continued.
    - Study site should maintain adequate records to substantiate work done and to comply with any laws affecting medical records.
    - Seek to use data for educational, research, patient care, and publication purposes.
    - IP ownership issues if sponsor and site collaborate:
      - Inventions by sponsor personnel belong to the sponsor;
      - Inventions conceived and reduced to practice as a result of conducting the clinical trial according to the protocol belong to the sponsor; and
      - Inventions made by the study site that extend beyond the scope of the protocol belong to the study site.
    - Study site may grant sponsor an option to negotiate an exclusive, royalty-bearing license to the inventions it owns.
    - Limits to the term of the option.
    - Negotiations in good faith.



# Strategic Alliances – Value Added Reseller

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- Key Terms
  - Relationship of Parties;
  - License;
  - Non-compete;
  - Nondisclosure;
  - Payment;
  - Service & Support;
  - Training;
  - Breach;
  - Warranty & Indemnification;
  - Limitation of Liability;
  - Pricing;
  - Term; and
  - Escrow.

# Strategic Alliances – Value Added Reseller

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- Key Exhibits
  - Software Description;
  - Functional Specifications;
  - Pricing;
  - Protected Customer Lists;
  - License Agreement;
  - Maintenance Agreement;
  - Requirements (hardware, software, cabling);
  - Training; and
  - Source Code Escrow Agreement.



# Strategic Alliances – Other

EPSTEIN BECKER & GREEN P.C.

- Government Contracts
  - Be aware of rights you may be giving to the government.
  - FAR clauses CAN be revised.
- Distribution
  - Maintain control over trademark use.
    - See suggested guidelines.

# Strategic Alliances – Other

EPSTEIN BECKER & GREEN P.C.

## Guidelines for Trademark Usage

These guidelines are to assist you in the proper presentation of valuable trademarks to enhance selling opportunities for you and to protect the value of your hard work invested in developing and manufacturing superior products and services.

A trademark is a word, phrase, symbol or design (or a combination thereof) that identifies and distinguishes the source of goods of one party from those of others. It is not the product that is trademarked, or the service that is servicemarked it is the embodiment of this identifier. That is, the goodwill. We can establish and maintain rights in trademarks and servicemarks based on documented and continued legitimate use of the mark on our products and services; your proper marking helps this process. Therefore, please follow these simple rules:

1) Usage. The word must be properly spelled, punctuated, spaced and marked For example: Zoinks™

Other rules for proper usage:

A) Use the mark as an adjective followed by the generic product name. A mark is not a noun.

Correct: Zoinks™ data transmission is improving the quality of health care.

Incorrect: Zoinks is improving the quality of health care.

B) Use the mark consistently, as each deviation creates a new, different mark. Do not use hyphenated variations or combine the mark with other words.

Correct: I then access the records using Zoinks™ data transmission.

Incorrect: I zoinks -access my records.

C) Use the mark distinctively (e.g., capitalize it or use a different font, style or color). A mark should always be written in a manner that distinguishes it from the rest of the text.

Correct: Zoinks™ technology.

Incorrect: zoinks technology.

D) Do not use the mark in the plural or possessive form.

Correct: Zoinks™ data transmissions are private and secure.

Incorrect: Zoinks' data transmissions are private and secure.

E) Do not use the mark as a verb. Marks are proper adjectives and should never be used as verbs.

Correct: The Zoinks™ data transmissions are more secure than alternate data transmissions.

Incorrect: I Zoinksed my account.

Continued...

# Strategic Alliances – Other

EPSTEIN BECKER & GREEN P.C.

## Guidelines for Trademark Usage - Continued

- 2) **™ is Not Optional.** You must use ™ on all unregistered marks, regardless of the market into which you are selling. While the symbol may not carry the same legal weight in all countries that it carries in the US, it allows the simplicity of one standard for you to follow. Furthermore, even if the recipient of the product does not understand the implications of the mark, it puts them on legal notice (a reasonable person would not assume that they could copy the phrase without investigating what the ™ means), and that helps maintain the value of the mark.
- 3) **Registered Trademarks Get the ®.** Please note that not all trademarks and/or servicemarks are registered. We can and do establish and maintain rights in a trademark based on documented and continued legitimate use of the mark on our products; your proper marking helps this process. However, a registration strengthens our legal rights. For registered marks, though, you must use the registered trademark symbol ® adjacent to the mark instead of the ™ designation.
- 4) **Once IS Enough.** Marks are best protected by marking at least one instance of every use in publication, which means once in each letter, catalog, ad, web page (not web site), presentation, etc. If you use the phrase six times in one publication, you only need to mark it once. Specifically, a helpful guideline is to use the ® or ™ symbol (as appropriate) in each publication where the mark appears most prominently. Otherwise, the promotional material would become cluttered with these markings.
- 5) **Go ahead and brag.** Besides marking, each publication embodying one of your marks must include an ownership disclosure, usually at the bottom of the page. This is what many people forget to do, please use:

"registered trademarks of \_\_\_\_\_, \_\_\_\_\_"

If the page contains registered marks in addition to your own, then the disclosure should be: [list your trademarks] "are registered trademarks of \_\_\_\_\_, \_\_\_\_\_"

If any of your marks on a page are ™ and not ®, then delete the word "registered" from the above two statements.

# Final Thoughts

- It's all about the business
  - Negotiate the best possible – identify the risks – and make a business decision.
  - Executing the wrong deal can be more harmful than no deal at all.
- Protect your rights – protect your options
- Don't overlawyer – but do think it through

# Contact Information

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