

FEBRUARY 2017

DEVOTED TO
LEADERS IN THE
INTELLECTUAL
PROPERTY AND
ENTERTAINMENT
COMMUNITY

VOLUME 37 NUMBER 2

THE *Licensing Journal*

Edited by Gregory J. Battersby and Charles W. Grimes

Intellectual Property Resolutions for the C-Suite

Matthew Asbell

Matthew Asbell is a partner at Ladas & Parry in New York, NY. He assists clients in clearing, obtaining, enforcing, and defending trademark rights in the United States and throughout the world. He also provides advice on patents, copyrights, domain names, and other related areas.

With prior background in the entertainment industry, information technology, and medicine, he works with a wide range of clients in diverse industries. Mr. Asbell also serves as an adjunct professor and frequent author and speaker on intellectual property topics. The original version of this article was first published on cxousa.com.

Innovative solutions are the foundation of almost every successful company. Tied to almost everything a company creates, every item it produces and sells, every service it provides, and every way in which it is marketed, are potential intellectual property (IP) rights, which can provide competitive advantages and recourse against others that subsequently elect to say or do something similar in a similar way or under a similar name or appearance. IP traditionally includes patents, designs, trade secrets, copyrights and trademarks, but often can have significance in relation to domain names and social media activities, mobile apps, and online platforms and interfaces.

As IP frequently is among the most valuable assets in a corporation, it should command frequent attention from members of the C-Suite in order to ensure the portfolio is properly maintained and aligned with the direction, plans, and activities of the business. However, the time it may take to understand IP or the complexities involved with managing IP may discourage officers from focusing on it. It is unfortunately often disregarded or taken for granted until times when the value of the company must be more carefully considered, such as when contemplating a merger, divestiture, or acquisition. The view of the IP portfolio as simply a list to be included in exhibits to agreements fosters a corporate culture that is unprepared and thus only reactive to the actions of others at significant cost to the company. This article provides some resolutions company executives can adopt to assist in optimizing the value of their companies'

IP and proactively managing the IP portfolio without necessarily diverting attention from the other priorities of business.

Establish Policies to Identify and Evaluate Innovations and Initiatives That May Be the Subject of Possible New IP Rights

Research and development of new technologies, products, or services may produce inventions or designs that may be patentable or protectable as trade secrets. As the decision to seek a patent must be made early, your company should have a policy that assists its professionals in recognizing possible patentable subject matter and evaluating the most appropriate forms of protection with your legal counsel.

Even if your company does not regularly produce inventions, other innovations or initiatives may be the subject of potential IP rights. Accordingly, your policies must encourage identification and evaluation of new creative works and marketing initiatives as well.

Alert Your In-House and Outside Legal Counsel As Early As Possible to Goals or Specific Plans for Expansion into New Product or Service Offerings or New Territories

Any expansion should trigger an early evaluation by your legal counsel of the availability and sufficiency of IP rights. If you expect to have a new product or service, counsel will want to consider whether it is patentable or protectable as a trade secret. They also will want to make sure that the trademarks under which it will be offered are available and registered for that product or service and to secure appropriate domains and social media not already registered in the company's

name. Counsel needs to evaluate and register rights available in the countries where the company plans to expand. As the laws of many countries primarily focus on when appropriate IP filings have been made, it is usually advisable to make such filings well before the product or service will be offered in that market. There also may be additional benefit in registering with the country's customs office to prevent import or export of counterfeit merchandise.

If the expansion involves an agreement with another party, such as a joint venture or license arrangement, counsel will need to participate in drafting and negotiating the agreements with an eye on necessary provisions to protect IP rights. There also may be requirements to record certain agreements with the government in particular countries.

Educate Your Marketing Professionals and Establish Regular and Open Communication between Them and Your Attorneys

As your marketing professionals make plans to add or change aspects of your branding and identity, it is important that they inform your attorneys so that appropriate IP protections may be sought. Your counsel should regularly train the marketing professionals how to develop identifiers that can be used and owned exclusively and help them understand the potential legal costs tied to adopting and protecting them.

Open communication between marketing and legal also is important to assist in monitoring and enforcement of intellectual property rights against competitors and third parties in the marketplace, and in collecting and retaining information and documents that may later be useful in legal proceedings related to intellectual property.

Establish Priorities, Policies and Realistic Budgets for IP Registration, Monitoring and Enforcement Activities

While registration of IP provides certain advantages, it may not always be necessary or important to seek IP registrations. For instance, it is usually worthwhile to register the company's "house" trademark and also its key brands, but not to attempt to register

model numbers and descriptors. Your legal counsel can assist in providing a cost-benefit analysis in each instance. Based on the size of your company among other things, as well as best practices in your industry, you should establish a budget to register at least the high priority items in the key countries of interest.

You also should establish a budget to devote to monitoring and enforcement of IP, and a corresponding enforcement policy. The value of IP may be diminished by a failure to enforce the exclusive rights associated with it. However, the extent of infringement by third parties, whether out of ignorance or motivated by an intent to profit from your company's efforts, may be extensive and even overwhelming. The company should identify in advance for its attorneys the nature of infringements that would deserve priority attention. This can reduce substantially the costs and efforts associated with assessing lower priority concerns while maintaining, to a degree, the exclusivity and value of the IP.

Align the Management of Your Company's Domain Names and Social Media Accounts with Its Trademark Portfolio

The registration of domain names often is delegated to IT or Marketing professionals that are not aware of the details of the company's trademark portfolio. As a result, a company may fail to proactively register domains associated with important trademarks in important countries. Also, the company may not properly monitor third party domain name registration efforts related to the company trademarks, resulting in efforts to retrieve such domains after the fact at substantial cost. If you do not intend to change responsibility for domains and social media accounts, you should establish a regular communication between the responsible persons and your in-house or outside attorneys for purposes of encouraging more proactive registration, monitoring, and enforcement policies.

Establish at Least an Annual Review of Your IP Portfolio with Your Attorneys

To ensure that you devote regular attention to your IP portfolio and consider whether some IP registrations for which you no longer have interest may be abandoned as a cost-saving measure, you should

establish at least an annual review of the portfolio with your in-house or outside attorneys. Doing so can be helpful in determining an appropriate budget for the following year's IP-related activities.

Keeping resolutions such as those suggested above can go a long way toward optimizing the value of your company's IP without diverting too much attention from other pressing business.

Copyright © 2017 CCH Incorporated. All Rights Reserved.
Reprinted from *The Licensing Journal*, February 2017, Volume 37,
Number 2, pages 1–3, with permission from Wolters Kluwer, New York, NY,
1-800-638-8437, www.wklawbusiness.com

