

Protecting Your IP

Legalities and Practicalities

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Convergent GC



What Is IP, Anyway?

- ◆ According to the World Intellectual Property Organization, it's creations of the mind – inventions, literary and artistic works, symbols, names, images, designs used in commerce.
- ◆ Includes proprietary formulas and ideas, inventions (products and processes), industrial designs, and geographic indications of source, as well as literary and artistic works such as novels, films, music, architectural designs and web pages.



What Is Protection?

- ◆ **Patent**

- ◆ Patents cover tangible things

- ◆ **Trademark**

- ◆ A name, phrase, sound or symbol used in association with services or products.

- ◆ **Copyright**

- ◆ Protect written or artistic expressions fixed in a tangible medium

- ◆ **Trade secrets**

- ◆ A formula, pattern, device or compilation of data that grants the user an advantage over competitors



GET A LAWYER!

- ◆ Your IP is your livelihood – protect it!
 - ◆ Don't be penny wise and pound foolish
- ◆ Don't negotiate your own IP protection
- ◆ Do you have anything you can copyright or patent?
 - ◆ A lawyer can help you figure it out



Threshold issues

- ◆ What's the project?
- ◆ What are you designing?
- ◆ Does it include only the client's IP, or yours as well?



Why Should You Care?

- ◆ It's your livelihood and your hard work
- ◆ Don't give away your proprietary information without a fight
- ◆ Value your services appropriately and make sure you get paid in full



It's All About the Payment!

- ◆ Don't give up ownership in your work until you're paid fully
- ◆ What does this mean?
 - ◆ They don't own it until they pay for it
- ◆ How to avoid the usual arguments
 - ◆ Brainstorm with them – make sure they understand you and show them you understand them



Documents – That'll Show 'Em

- ◆ Get a signed NDA before you disclose your IP
- ◆ Proprietary information agreements with your own folks
- ◆ Work-for-hire language in contracts
- ◆ Be smart – don't just rely on contracts
 - ◆ They're of limited use



How Big Is Your Client?

- ◆ Let's talk leverage
 - ◆ Dealing with an established company?
 - ◆ Public company?
 - ◆ Start-up?
- ◆ The law is the least of your problems...



Can You Use Open Source Software?

- ◆ Make sure you use it as specified
- ◆ Don't say you own it code if you don't
- ◆ Be careful what you promise to a client in agreement



Where Is Your Client Based?

- ◆ US?
- ◆ Foreign?
- ◆ Multinational?
- ◆ Different laws may apply depending on this
- ◆ Be careful about governing law clause



The Government Is Your Client – Good Luck!

- ◆ A whole new ballgame
 - ◆ Talk about leverage!
- ◆ See “Get A Lawyer” slide!!
 - ◆ What are you doing for Uncle Sam?
- ◆ Did I Mention: ***GET A LAWYER!***



Is Your Client a Start-Up?

- ◆ Get paid as much as you can up front
- ◆ Taking stock of your payment
 - ◆ Should I or shouldn't I?
 - ◆ What's it worth now?
 - ◆ What's it likely to be worth?
 - ◆ Will you be diluted out of your holding?



So...What About You?

- ◆ How do you operate your business?
 - ◆ Are you an entity or a DBA?
- ◆ How do you sign your documents?
- ◆ Keeping business assets separate from personal assets



In Conclusion

- ◆ Take care of your IP and it will take care of you
- ◆ Be mindful of what you promise to your clients
- ◆ Don't give up before explaining your concerns
- ◆ ***GET A LAWYER!!!***



About Audrey Roth

- ◆ Audrey represents entrepreneurs, company executives, seed investors, and venture capitalists and has done so successfully for almost three decades, helping to bring young companies to profitability and maturity. In 2005, Audrey formed Convergent GC, a legal services firm with a unique business model. Before that, Audrey was a partner and head of the Private Equity/Emerging Company group at Sullivan & Worcester, partner and member of the Private Equity group at Goodwin Procter, and partner and chair of the Venture Capital and Emerging Companies group at Kelley Drye (in NYC).
- ◆ Audrey has a J.D. from Columbia Law School, where she was a Harlan Fiske Stone Scholar and co-managing editor for the Human Rights Law Review, and a B.A. from City University of New York, where she graduated Magna Cum Laude. She is a member of the Massachusetts and New York bars.

