

Hall & Vande Sande's
Intellectual Property + Branding Audit
Helping You Develop, Protect, Enforce and Monetize Your IP + Brand

I. TRADEMARKS AND SERVICE MARKS (A BRAND'S ESSENCE) TM

Protect your marks! This includes word marks, designs and slogans which you have adopted, or may wish to adopt, for use in connection with your goods and services. Keep in mind that trademarks and service marks are valuable business assets and protecting such is an integral part of developing a successful "brand." Ensure not only that your marks are protected from misuse by others, but that, prior to becoming financially and emotionally committed to using a new mark or launching a new business, that your mark(s) can be safely used without exposing you to potential liability for infringement!

CONSIDER:

- **Have you had an attorney specializing in IP file an application to federally register your mark(s)?** Bear in mind that state registrations, state licenses and articles of incorporation in no way provide either clearance or protection for your marks.

HVS TIP: A seasoned IP attorney will be able to navigate the filing process and ensure maximum protection for your marks and brand.

- **Are you currently using the ® symbol in connection with your already federally registered marks?**

HVS TIP: If your mark is registered, use the ® symbol. This acts as a deterrent to potential infringers, legitimizes your brand, and broadcasts that the mark is afforded the full scope of protection and rights that accompany a federal registration.

- **Are you currently using TM and SM in connection with your trademarks and service marks which have not been federally registered?**

HVS TIP: Even without a federal registration, your mark is afforded a level of protection – albeit significantly less than with a federal registration.

- **Does your organization work with an experienced IP attorney to fully search proposed marks prior to their usage or the undertaking of other significant commitments?**

HVS TIP: A clearance search is essential to (1) avoid later becoming a defendant in federal trademark litigation, and (2) being forced to "move off" your mark by a senior user of the same or a confusingly similar mark after you are financially and emotionally invested in your mark, and your brand has generated goodwill and recognition amongst the relevant public.

- **Has your organization undergone efforts to register its marks in foreign countries where it conducts, or intends to conduct, business?**

HVS TIP: In most countries trademark rights exist solely by virtue of being the first party to file an application for registration. Being the senior user of a mark in a foreign country, and even long usage of a mark in the U.S., will not likely provide you with rights abroad.



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10220 River Road, Suite 200, Potomac, Maryland 20854
OFFICE: 301.983.2500 EMAIL: info@hvsllc.com

- *Are you involved in the licensing of any marks, either as a licensor or a licensee?*

HVS TIP: Permissions to or from a third party to use a mark without the acknowledgment of assurance of quality control over the goods or services offered under the marks will most often destroy all rights in the involved marks.

- *Are your marks policed on a regular basis, either internally or through a watch service?*

HVS TIP: Put in place a mechanism whereby your market, and closely related markets are periodically policed in order to assure that your marks are not being used by competitors or third parties in the same or closely related business sectors.

II. COPYRIGHTS

Does your business utilize print or electronic advertising, photographs, film or other creative expressions which, if used by a competitor or third party, might result in a loss of business or other disadvantage to your enterprise? If so, you should meet with an experienced IP attorney to establish and protect your copyright in such materials.

CONSIDER:

- *Do you currently include a copyright notice on such materials?*

HVS TIP: Adding a copyright notice is a no-cost item AND you may include the copyright notice even in those instances in which you have not federally registered your copyright.

- *Have you adequately protected those creative works which might most likely be the subject of copying by others and as to which such copying might significantly harm your business?*

HVS TIP: You should seriously consider the filing of an application seeking federal registration of your copyright. In almost all instances federal copyright registration is a relatively simple and inexpensive undertaking.

III. TRADE SECRET PROTECTION

Your proprietary and confidential information, be it the composition of a unique product or your company's marketing plans and customer lists, may well be the lifeblood of your enterprise. An experienced IP attorney can help ensure that such information receives the attention and protection it deserves.

CONSIDER:

- *Is access to such information closely guarded within your business?*
- *Are disclosures of such information to third parties, including consultants, limited and made only after obligations of protection and confidentiality are acknowledged by those who might receive such information?*
- *What internal safeguards are taken to assure the preservation of confidentiality in connection with such information and materials?*

HVS TIP: The laws of virtually all states require consistent diligence in the treatment of proprietary and confidential information for such to be afforded the protection of state trade secret laws.

IV. INTERNET SPECIFIC IP ISSUES

In today's world, rarely will a business not either sell, or promote, its goods and/or services online. While the unparalleled expansion of use (and misuse) of the internet has provided enormous opportunities for virtually all businesses, it is important for businesses of all sizes to be aware of those IP pitfalls specific to the ever-expanding world of e-commerce

CONSIDER:

- *Does your website contain adequate copyright notice?*
- *Are your trademarks and service marks designated as such throughout your website?*
- *Are the written agreements entered into with those who may design or host your website specific in acknowledging your exclusive ownership in the website and in the content appearing at such?*
- *Are your marks and/or creative materials being used in impermissible manners by competitors or third parties online?*
- *Are your marks being used as domain name addresses by competitors or others active in the same or related fields of endeavor?*
- *Do you maintain control of how your image, name and likeness are used online?*
- *Are counterfeit versions of YOUR goods being manufactured and sold by international infringers?*
- *Are your goods, or goods bearing your mark, appearing internationally without your authorization or knowledge?*

V. FALSE ADVERTISING

A competitor's lifting of your advertising materials or its use of photographs of your goods in its advertising may well confuse potential purchasers. At a minimum, this practice provides your competitor(s) with a "free ride". Unsubstantiated product comparisons may also cost you business.

CONSIDER:

- *Are your competitors' promotional materials and websites periodically reviewed to assure that such do not make improper use of your marks or materials?*
- *Are your competitors' promotional materials and websites periodically reviewed for the purpose of assuring that such do not contain unsubstantiated product or service comparisons?*

VI. PATENTS

Prior to any significant commitment to the manufacture, use, importation, offering for sale or sale of products in connection with your business, you need to assure that your activities will not constitute patent infringement. In addition, you should seriously consider, early on, the possibility of obtaining patent protection for those products, improvements, and innovations generated by your business.

CONSIDER:

- *Have you obtained an opinion of counsel in connection with the products made, imported, used, offered for sale or sold by your business?*
- *Do the agreements you have entered into with suppliers, etc., provide indemnification to your business in the event that your manufacture, use, or sale of such goods renders you liable for patent infringement?*
- *Do you need a license under one or more existing patents in order to safely make, use, or sell your goods?*

- *Do you require assistance in connection with efforts to design around the claims of an existing patent of relevance to your business activities?*
- *Have you, very early on, in the development of a product or improvement, sought the advice of patent counsel in order to safeguard your potential right to patent your inventions both in the U.S. and abroad?*
- *Have you considered the possibility of actively licensing your businesses' patented inventions and creating an additional royalty stream for your business by doing so?*
- *Have you considered the strength (or weaknesses) of a possible acquisition from the perspective of its patent portfolio?*



VII. EMPLOYEE AND INDEPENDENT CONTRACTOR ISSUES

Written, unequivocal agreements with your employees and with outside parties who provide services to your business, entered into early on, will ordinarily avoid damaging and unquestionably expensive disputes down the road.

CONSIDER:

- *Do you have written and executed understandings with employees clearly delineating the employees' obligations of nondisclosure and noncompetition within a reasonable period of time after leaving your employ?*

HVS TIP: It is imperative that a written agreement be entered into with independent contractors acknowledging your exclusive ownership in copyrights in works and materials generated on your behalf by the independent contractor. Moreover, such agreements should be entered into **prior** to the creation of the work in question. Be sure to include in your agreements with independent contractors (which may include advertising agencies, software designers, etc.) language which will recognize, or bestow by assignment ownership in the materials they create in your company.

VIII. OWNERSHIP



Who actually owns the various items of intellectual property your enterprise uses and relies upon in conducting its business? Is it your business? Is it you individually? Is it your partners or investors? How about your website developer? Operating your business based upon assumptions as to the ownership of trade secrets, inventions, drawings, marks, the copyright in the various components of your website, etc. is extremely risky and leaves open the distinct possibility of unimaginable expense, uncertainty, disruption, or the complete loss of your business.

HVS TIP: Protect against the unexpected, be it website ownership disputes, the death of a founder, the departure of a partner or the unhappiness of a shareholder, by putting in place unambiguous documentation identifying the owner(s) of the intellectual property your business utilizes.

Hopefully you have found this preliminary IP Audit helpful. It is, of course, not intended to be exhaustive – but rather an exercise in raising awareness of important yet often overlooked (and litigated!) IP considerations. If you'd like to discuss these or any other issues, feel free to contact our office at (301) 983-2500 or info@hvsllc.com so that we can schedule an initial consultation at no cost.

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10220 River Road, Suite 200, Potomac, Maryland 20854
 OFFICE: 301.983.2500 CELL: 301.602.4988 EMAIL: info@hvsllc.com