



Procopio Perspectives Podcast: Protecting Your Products and Brand Online

Transcript

Miku Mehta (00:00)

Good day, everybody, and welcome. My name is Miku Mehta, and I'm a patent attorney and partner in our intellectual property group at Procopio, and I'm also the team leader here. Today, I'm joined by Neil Salyards and Steve Beuerle, who are both partners also in our IP team. Neil specializes in trademarks, and Steve is a registered patent attorney specializing in designs. And today, we're going to talk a little bit about when your brand becomes a target. So first, let me present you with a scenario. Your company has developed some new products and is selling them online. When you go to search for your company's products, instead of seeing your company's products, you see a product that's sold by another company that looks just the same and has a lower price. So now your customers are confused as to whether that product is yours and why the price is so low.

So today, I'm going to ask our experts, Neil and Steve, who specialize in trademarks and designs respectively, to share a couple of thoughts. So first, I'd like to turn to you, Neil. And I know you work with companies in this space to help with the brand protection aspects. So maybe say a little bit about what you do, and then let us know what's going on in this scenario, and what are the first things a company should do.

Neil Salyards (01:19)

Yeah, thanks Miku. As Miku mentioned, my name is Neil Salyards. I'm a partner here in Procopio's Del Mar Heights office. My practice focuses on trademark and copyright protection. Basically, in a nutshell, I help companies and individuals build and protect IP portfolios that consist of names, logos, and creative works.

So when this scenario arises, the first thing that I recommend doing is capturing, if this is online, which 90 % of the cases are nowadays, capturing some evidence. So, take some screenshots, make sure you have this documented, because as you can imagine, this disappears quickly nowadays with the ease of changing usernames and profile pictures and all of that.

So capture screenshots so you preserve that evidence. The next thing I would suggest doing is going to do some research, try to identify who the seller is, try to identify some contact information, try to capture that as well so that you have that when you're ready to act, then you know who to contact.

The next thing is to make sure that you do some due diligence on your rights, how they stack up against this infringing product or images that were reproduced or taken without your authorization. Got to make sure that you have prior rights to begin with. So do a little bit of assessment, evaluation of your rights versus the facts and circumstances surrounding this product listing or this post. The other thing is then consider what your options are. Is this an online situation? Is there IP? Is there a platform that exists through an e-commerce platform that you can take advantage of to submit a complaint to report and protect your rights? Or is it outside of the online context when you might consider sending a cease and desist letter? Is there some administrative action that you could take? So there's a number of different things that you can do and we can talk about those in more detail, but that's a good starting point.



Mehta: (03:10)

Great, great. Thank you, So Steve, you're a registered patent attorney specializing in designs. Let me vary the scenario a bit. Let's say completely different brand, different logo, but the product looks the same, has same or similar ornamentation. Why don't you tell a little bit about your practice and what a company might want to do in this situation?

Steve Beuerle: (03:34)

Thank you, Miku. Yeah, so my name is Steve Beuerle, and I'm on intellectual property, particularly a patent attorney and partner here for Procopio for about 26 years. The process is very similar for possible design patent infringement as it is for ~ trademark infringement. You would want to capture any information you can on the product, screen capture information on the potential infringer, et cetera. Get that as soon as you can. Because it really just comes down to evaluating what the other party is doing as far as their product goes, and then evaluating your potential over actual intellectual property rights. In this case, design patents, which we'll talk about in more detail.

Mehta: (04:15)

Thanks, Steve. So one thing that's true, I think, is you can see that this scenario might play out at any point in a product lifecycle, starting mature maintenance. And you can see how customers perceive the brand and ornamentation of the product itself. One thing I would like to add as a patent attorney is that if there's an issue with the underlying technology, then utility patent rights might be implicated as well. But today we're focusing on branding more. So, we're going to talk for a couple of minutes about intellectual property and the different types of intellectual property involved here. So let's go back to you, Neil. And why don't you give us a little introduction on trademarks, trade dress, and copyright.

Salyards: (05:01)

Yeah, thanks Miku. One thing this topic at the very basic, most fundamental level for clients is to understand what intellectual property assets you need to protect.

Most companies have a whole host of different types of information and technology that different types of IP can serve to protect. So, on the trademark side, that protects any name, any word name, symbol, slogan, device, or combination thereof that identifies and distinguishes your products from those of others in the marketplace. So it's essentially a brand that's associated with products or services.

Trade dress protection is very similar in the sense that it's a source identifier. It identifies a commercial source where that product or service originates from. But trade dress protection protects the overall visual appearance of a product or its packaging. And that product itself or the packaging, the design of that is what serves to identify to consumers where that product comes from.

So they're protected the same way through the USPTO, through a trademark application. There's some differences in the prosecution of those types of applications, but the idea is that they're both a brand in and of themselves. Copyright protection, on the other hand, protects original works of authorship that are fixed in a tangible medium of expression. So you can think of this in the context of books, paintings, illustrations, photographs, those types of things that are original works of authorship that can be protected and in fact are protected from the moment of creation. So without getting into too much detail, it is worth noting that there's some overlap among these three types of intellectual property assets, but there's also ways to strategically use them so that you have continuing existing coverage and you're protecting the IP assets of your company.



And I think Steve will be able to explain a little bit about that as it relates to design patents.

Mehta: (06:58)

Perfect, perfect. So what are the high impact risks you might say of having these rights violated? How does this kind of come out? How does it manifest itself?

Salyards: (07:11)

Sure. So, for a lot of companies nowadays, their IP is really the main driver, the valuation of their company, and their entire company may hinge on it, especially with respect to digital companies, protecting their copyrights and the technology behind software is vitally important. So if you don't protect that, then you run the risk of having a copycat out there that duplicates exactly what you're doing and basically that competition that comes up without any protection of your IP will just ultimately devalue the exclusivity of any rights that you would have. And ultimately, this can be important when you're looking at taking on capital and investor rounds.

Oftentimes, they'll want to ensure that you have exclusive rights to your intellectual property. And I've seen scenarios where investments have been turned down on the basis that a client has failed to protect, whether it's their trademarks or their trade dress or copyrights, because so much of the company's value hinges on that. And also in the context of an exit, when there's a sale of a company, IP really drives the value in a lot of cases for a lot of these acquisitions and mergers. And so it's very important that you've done everything upfront to secure exclusive rights to that.

Mehta: (08:30)

So Steve, about design patent protection, where in the product lifecycle does design start to come in? What are the basics of design patent protection? And can you talk a little bit about how one might experience a dispute in that area?

Beuerle: (08:49)

Sure, thank you, Miku. So design, so basically there's two types of patents. The two main types of patents are utility patents and design patents. Most people when they think of patents, they think of utility patents. But design patents, which we're talking about in part today, is a very important type of patent. And a design patent covers, it may be granted for anyone who invents a new, original, and ornamental design for an article manufacturer.

So I like to give examples. So you think of the iPhone. Over the years, the iPhone has many different versions. When that first iPhone came out, it had a very unique, distinct shape, configuration, screen, et cetera. You better believe that Apple filed multiple design patent applications and obtained multiple design patents on that appearance of the iPhone. And so that's an example of a physical object that the ornamental appearance of it was protected by a design patent. The term of a design patent is 15 years. And design patents are considerably easier to get than utility patents. Another advantage of design patents is they often protect that first wave of infringement. What I found over the years is that often copycats are not too creative, at least initially, with how they copy a product.

They do very similar or almost the same exact product copy. And a design patent, definitely something that you can get quicker than the utility patent. Also, can often cover that first round of infringements that come along. So that's a little bit of the design patents. As far as infringement goes, for someone else to infringe your once designed patent, it's an ordinary observer test.



Basically, if one ordinary observer that is familiar with the prior art, would that person think the accused design is substantially the same as the patent design. And so it's kind of an overall appearance standard for that.

Salyards: (10:42)

A point to that, Steve, because you mentioned the 15 year term. I think one important thing that we try to convey to most of our clients, as I was mentioning earlier, is the overlap with some of the IP protection and strategically securing the rights that you need to make sure you have maximum coverage for your IP assets.

If you distinguish a design patent from trade dress protection, trade dress protection can last indefinitely. As long as you file your maintenance requirements with the USPTO and you continue to use that same design on your product or your product you could in theory keep these rights forever, which would be enforceable against infringements. So it's something to consider when you're developing a long-term IP strategy.

As Steve mentioned, it's relatively easy in some situations to get a design patent on the trade dress side. It can be difficult to get trade dress protection. It requires what's called acquired distinctiveness. And that can be a topic from another time. But ultimately, you could have your design patent protection for 15 years. Meanwhile, you're building up consumer recognition in your trade dress. Ultimately, file and get trade dress protection on the design and then have those indefinite rights.

Mehta: (11:53)

And there are a number of ways to get those rights. Of course, file your patent, trademark applications, copyright registrations, and then there's registries. There's all kinds of different ways to protect, and I think those are all very important. So one thing I would ask and I wonder about is when does a company become vulnerable to this kind of scenario? I think I'll ask Neil first.

Salyards: (12:22)

Sure, yeah, it's a great question. And my answer is from the moment you start selling your products. I think people would think of it in the context of, I'm just a small company. So maybe it's not that important to make the investment upfront to protect my rights. However, I can't tell you how many clients we have that just started operating and selling products. And they're already having their products knocked off. And this is especially true with e-commerce platforms. There's a saying I always like to remind clients that if you're not selling your product on Amazon, then somebody else is. And it's really proven to be true because, you know, somebody is going to be watching what you're doing on your website, on other e-commerce platforms, what you have for sale. And in a lot of cases with products, it's very easy to make imitations and clones and counterfeit products and somebody is going to try to capitalize on that market share that you're creating at an early stage where it's relatively easy to do so and you may not have the resources to take action. So I think it's important from the very beginning.

Mehta: (13:25)

You're vulnerable from the start. This is why some of the things we've mentioned about securing the rights proactively and planning it out from the start are so important. So this is kind of the risk profile. And Steve, you had mentioned about designs. At what point do designs come into the process? When would a client be looking at starting to think about design protection. How early would that happen?

Beuerle: (13:50)

Yeah, thank you, Miku. That's a good question. Designs are a little different than utility. utility, we try to get an invention disclosure and file a patent application as soon as possible on the basic invention on a utility patent application. The issue with designs is that people will come up with a general idea of what a product should look like and how it should function.

But usually it goes through many iterations until it actually is one that it's ready for a manufacturer and there's manufacturing drawings in place and the product is ready to go to market. And so we definitely want to be filing for design patent application before the invention is put in the hands of the public, advertised in any way on a website or otherwise publicly disclosed, offered for sale, et cetera. But we also.

We want to make sure that it's a version of the design that actually is worth protecting, that's the, as soon as possible with designs.

Mehta: (14:50)

Sure, sure. So coming back to our initial scenario, what happens when this company contacts you? So I'd ask the two of you, this company contacts you with this issue that is in our scenario. What are the things that you typically do from the start? The first things you do, let's say you go through the first 48 to 72 hours. What are the kinds of things you're doing?

Beuerle: (15:17)

I'll let Neil take that if he wants and I'll follow up on it.

Salyards: (15:20)

Yeah, so when a client contacts me with an infringement situation, kind of going back to what I initially said, the first thing that you need to do is capture some evidence, make sure you have that secured because there's a lot of turnover on the internet and we see product listings taken up and taken down and disappear quickly. So you want to make sure that you've preserved that. We have some tools that we use where we can go back and actually get screen captures from archived web pages.

So we use that tool pretty often as well too, but we want that evidence in place ~ to make sure if we're going to move forward, we have the documentation to back up our claims. Then I really go into the research and the diligence phase of this and I need to understand what rights my client has, whether that's federal, you know, trademark or trade dress protection or copyright protection, or whether we're talking about common law rights, which

can exist for trademarks on a state by state basis with no federal trademark registration. But I need to understand the extent of my client's rights and how strong they are in order to evaluate whether we can enforce and assert those rights against a third party. The next thing I need to understand is what this infringer is doing, what aspects of the IP assets that my client has, have they reproduced or taken without authorization and then I can evaluate how strong our claims are based on the scope and extent of our rights versus what this infringer is doing. Lastly, I do need to confirm that our rights predate their rights. I mean, that this scenario comes up often, for example, somebody has a trademark, they see a company that they've never seen before. They're using the same trademark or a trademark that sounds similar or looks similar, and they want to take some action.

And then once we start researching and doing the art due diligence, we find out that this other party has actually been using it before our client has. And that puts us in a difficult position with the client to come up with a strategy that can accomplish something for them. So we need to make sure that our client's rights predate this infringer's rights. And we have some colorable arguments to make if we end up asserting our rights against them.

Mehta: (17:29)

Yeah, Steve, would you add? Yeah.

Beuerle: (17:31)

Yeah, sure. Thank you, Miku. I think what Neil outlined is generally it's generic and applies to both trademark, trade dress, copyright, design patents. So it's the same in that you want to get as much information as you can on the infringement, on the infringing parties as soon as possible and just save that information.

The scope of a design patent is going to depend on how close the nearest prior art is. So back to the example of the iPhone, in that case, if the Blackberry was the closest device, the iPhone would have a very broad scope of protection. But if there's something much closer, it's going to have a more narrow scope of protection. So that's something else that we would evaluate.

Salyards: (18:14)

And let me add one point to that because we haven't tied in copyrights much and they often get overlooked, but they can be very important, especially in the digital world that we live in, because if you see a product listing that has your products, it looks like your products, a lot of times what happens is that these infringers will take images from your website and use them for their product listings.

And then we have a copyright infringement claim that we can assert because if you have, you know, taken the photographs of your products or you've paid a photographer to do that for you, for your website, then you own copyrights to those images. And it can be a pretty easy way to ~ assert your rights. If we can't come up with a trademark or trade dress or design patent claim, oftentimes we can rely on a copyright infringement claim.

Mehta: (19:05)

Yeah, so as you can see, there are a lot of different ways of going about protecting your IP. Some of it relates to the expression of the idea and copyright. Other parts relate to the ornamentation or even the underlying technology if it's a utility patent. So let's come back and talk about what to do. What can a company or a person do? What would you say are the top things if you have to pick just a couple of smart moves a company or a growing brand could make right now. What would they be? Steve?

Beuerle: (19:37)

Yeah, I mean, from a design patent perspective, one thing that's changed quite a bit over the last so many years is so much of commerce is being done on different commerce platforms like Amazon. And these commerce platforms have their own intellectual property, infringement, takedowns, all that sort of thing, which is way less expensive, way easier to address from a patent holder perspective than historically, which you can also do, which is through the federal court system.

Of course, we can always send a cease and desist letter to the opposing party that might be infringing or we think of infringing. Sometimes that works, in my experience, about half the time, a cease and desist letter will, will work about the other half of time, it won't, they'll tell you to go pound sand and it will not, change their behavior. And of course, the traditional method of filing a lawsuit in district court, appropriate federal district court, because design patents are federal law, that is another avenue for stopping somebody.

Mehta (20:33)

Yeah, Neil, what do you see as the smart moves to make for a growing brand?

Salyards: (20:37)

Yeah, well look, IP protection brand enforcement is expensive. It's costly for companies. But I like to remind clients that it's a cost of doing business now and it's necessary if you want to protect your market share. But I think one smart move you can make is to take some of that burden off of you and the company and take advantage of some tools that can be policing and monitoring your brands proactively rather than just reacting to different instances of infringement that can come up. So kind of one thing we mentioned before is, once you get your trademark registrations, if you are importing products from other countries or manufacturing overseas and importing products, or even exporting products, record your trademark registrations with customs, because they'll be doing the monitoring and the policing for you. They monitor shipments that come in and out of the country. They'll look for products that contain your trademarks, your logos, designs and they can take action, based on an administrative proceeding.

If they come across a shipment that contains some infringing thing on the trademark registration side, take advantage of trademark watch notices. It's a nominal subscription that you can sign up for. We do this for many of our clients and it's basically a watch of ~ the USPTO's trademark register and other countries' trademark databases, as soon as applications that are filed, are filed that are similar to your application or your registration, they'll notify you or they'll notify us and we can take action and be proactive. But you have somebody that's a third party that's monitoring all of this for you. So you don't have to spend your resources or even the legal resources to do it. So those are a couple of important things. And as Steve mentioned, take advantage of all of the e-commerce platforms, IP abuse reporting mechanisms that they've established. Those can be quick and efficient ways to address instances of infringement or counterfeits when they come up.

Mehta: (22:31)

Yeah, those are all great. The only couple of other points I might add are one thing that you mentioned, Neil, is global. A lot of times supply chain or value chain extends globally. So you want to make sure that you've protected the intellectual property, whether you're licensing out, licensing in, or otherwise involved, as well as customers around the world. So consider the various things you need to do to protect in other jurisdictions. And then the other side of that is for your product, make sure that you've taken the steps and diligence from a freedom of operation and a freedom of action perspective, FTO or freedom to act and make sure that you've done the proper diligence to make sure you're okay defensively.

Well, thanks for all of that. And now we're about close to our time to complete our program. But before we do, I'd like to ask each of our panelists to give a one sentence takeaway for our audience. So Steve, would you like to go ahead?

Beuerle: (23:40)



Thank you, Miku. Yeah, I just want to say that design patents are a type of patent protection that's relatively easy, relatively quick, relatively inexpensive way to obtain protection on one's invention, the ornamental appearance of one's article. And there's no magic rule as far as copying goes. If the prior art is different enough, the scope of the design patent might cover quite a bit in addition to just the actual product and issue.

Mehta: (24:07)
Yeah, Neil?

Salyards: (24:08)
Yeah, thanks. I think the concept I'd like to leave our viewers with is be proactive about protecting your IP rather than reactive. The initial investment will be considerably less than a protracted IP adversarial proceeding down the line.

Mehta: (24:24)
And I'd like to throw something here at the end. We've seen a lot of overlap. Think about the different ways in which IP can be used for both value and defense from different threats. You can look at it from designs, expression, ornamentation, and the technology inside. And also look at overlap in jurisdictions. Look at the global. Think about all of that. So with that, we'd like to say thank you for your time today and I'd like to thank our panelists Neil and Steve for their time. And also if you have any questions, we're here for you. Feel free to reach out and contact any of us or anyone here in Procopio and we'd like to wish you a great day. Thank you.

Salyards: (25:07)
Thank you.

Beuerle: (25:07)
Thank you.