

# IP/Technology Law

## Survive and thrive in the IP jungle by properly equipping safari

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Increasingly, the companies that survive and thrive are those that have tamed the intellectual property jungle that confronts business today. Those lost in the wild can follow several survival tips:

- **Learn the lay of the land.** Just as he would not enter the jungle without understanding the lay of the land, no business person can implement a rational IP program without a basic understanding of core IP concepts such as the difference between patents and trademarks, or between trade secrets and trade dress.

A number of resources are available for obtaining a basic IP education, including several Internet Web sites. For companies exceeding start-up size (and for start-up companies with growth potential) there are a number of IP attorneys in town who will provide free or low-cost background training as part of their client development activities.



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- **Select a good guide.** Survival in the jungle often depends on having a guide who can tell the difference between rustling leaves and an onrushing predator. Things are no different in the IP world.

Given the esoteric nature of IP law, having experienced counsel is essential. Selecting the right IP counsel is critical for success because a misunderstanding of the company's technology could result in a patent worth little more than kindling. For example, a major baking company discovered that its "significant" patent was worthless because it required dough to be heated "to" a specific temperature, instead of being heated in an oven set "at" that temperature.

Choose an IP counsel who has (or can obtain) basic knowledge of the business, its technology and its future plans. Select someone with well-rounded experience in all areas of IP. A trademark specialist may be unsuitable for handling patent matters, while a litigator may not be able to assist with licensing matters. For young companies, it is often most economical to retain outside IP counsel. Larger, more developed companies should consider an inside IP counsel position. Companies in between should consider having an in-house IP paralegal to help handle and manage IP matters.

- **Establish a base camp.** In the jungle, where resources are scarce, an organized and stable base camp is a must. The same is true in the IP world.

Most companies should consider taking an initial (and annual) inventory of their IP assets. In taking this inventory, it is important to map the company's IP to its key revenue and profit stream. If an IP asset cannot be linked to a revenue stream or profit center, ask whether it makes sense to maintain the asset.

If a key revenue stream is not associated with any IP, consult with the company's IP guide about ways to develop or obtain IP to protect the company's market position. While developing the company's inventory of IP assets, consider implementing a system for organizing, tracking and maintaining those assets. A number of computerized systems are available for this.

- **Plant a garden.** Even Tarzan did not rely upon the chance passing of game for dinner; he cultivated a garden. Follow his example when it comes to IP.

Too often companies seek patent protection only when an employee, by happenstance, has an idea deemed worthy of IP protection. While important IP assets may randomly arise, the

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resultant IP portfolio does not always serve the company's business objectives.

IP should be deliberately cultivated to ensure that a company's IP assets align with its business plan. When deciding where to invest R&D dollars, strategically consider which areas will likely produce protectable results. A great but unprotectable idea may lead to brief periods of profits, but a moderately good, protectable, idea may lead to many years of strong, steady income.

• **Watch for predators.** In the jungle, danger lurks at every turn. The IP world is no different.

IP rights are of little value unless they are enforced. Companies should, therefore, consider monitoring the competition and taking appropriate action if their IP rights are infringed. While not every act of infringement justifies a federal case, some do. For some IP assets, like trademarks, continued infringement could cause the erosion or loss of the right itself. Only by monitoring the market can a company identify and resolve potential encroachments.

A coherent IP strategy should also include monitoring the patents and trademarks being obtained by key competitors. This information can be obtained freely and easily via the U.S. Patent and Trademark Office's Web site ([www.uspto.gov](http://www.uspto.gov)). Having such information not only helps you avoid violating your competitors' IP rights, it can provide significant insight into rivals' potential future activities and business plans.

In short, it is a jungle out there, but by selecting the right IP guide and following the described tips, a company can increase its chance of surviving and thriving. ■

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