

Intellectual Property in New Mexico

- What is a “high tech” company?
 - Based on intellectual property portfolio
 - Patents and patent applications
 - Trade secrets
 - Information/information services
 - Software

Intellectual Property in New Mexico

- What are the characteristics of a “high tech” company?
 - Products or services in development
 - Low fixed asset base
 - High burn rate

Intellectual Property in New Mexico

- Role of attorney for high technology client
 - Corporate structure and organization
 - Intellectual property audit
 - Licenses and contracts
 - Aggressive intellectual property protection

Intellectual Property in New Mexico

- Does the client have a defined commercial objective?
 - Technology-driven or product/service-driven
 - Defined product or service
 - Market research

Intellectual Property in New Mexico

- Does the client have marketing or distribution capacity?
 - Current staff or expansion
 - Licensing or exclusive distribution agreements
 - Corporate partnering

Intellectual Property in New Mexico

- Are critical trademarks and service marks protected?
 - Federal trademark registration
 - Ongoing monitoring program

Intellectual Property in New Mexico

- For software or information-based products or services, have relevant routes of protection been evaluated?
 - Patents
 - Copyrights
 - License/Use agreements
 - Limited access to source code

Intellectual Property in New Mexico

- Does client have current information on markets, customers, competitors and available products or services?
 - The “me too” to “pioneering” continuum
 - Industry information
 - Customer information

Intellectual Property in New Mexico

- Ongoing program and processes to identify and capture key intellectual property?
 - Employee and consultant agreements
 - Critical contractor agreements
 - Rights in work done for others
 - Invention records and disclosures
 - Nondisclosure agreements

Intellectual Property in New Mexico

- Audit of intellectual property
 - Patents and applications
 - New invention disclosures
 - Appropriate agreements
 - Internal policies

Intellectual Property in New Mexico

- Cost of developing intellectual property portfolio
 - Software company may be modest -- good agreements, trademarks, copyright filings, limited patent applications
 - Biotechnology or electronics -- may be hundreds of thousands of dollars per year

Intellectual Property in New Mexico

- ...anything under the sun that is made by man...
 - Offensive use of patents
 - Legitimacy and credibility

Intellectual Property in New Mexico

- Patent does not give owner the right to make, sell or use a product or process
- Only right to exclude others
- May require license from dominant patent

Intellectual Property in New Mexico

- Process or method patent
 - new way of making a known device or compound
 - new use for known device or compound
 - Virtually any field of endeavor
 - Business method patents

Intellectual Property in New Mexico

- Product or composition of matter patent
 - Typically easier to enforce
 - Scope of protection depends on *novelty* and *obviousness*
 - Scope determined by prior art -- what is already known in the field

Intellectual Property in New Mexico

- New or start-up company issues
 - Ownership of core or initial technology
 - Initial ownership in new company
 - Stock options and stock grants

Intellectual Property in New Mexico

- Licensing technology from universities or other third parties
 - Must be exclusive -- at least exclusive field-of-use
 - Realistic performance criteria
 - Create win-win situation
 - Right to grant sublicenses
 - Initial fees in equity or equity rights

Intellectual Property in New Mexico

- Licensing technology to third party
 - Generally exclusive only for narrow and defined field-of-use
 - Escalating minimum royalties
 - Audit rights
 - Cross license rights to improvements by licensee

Intellectual Property in New Mexico

- Other issues with high technology companies
 - Avoid U.C.C. filings on intellectual property
 - Inventors will lose control at some point
 - Tight corporate control
 - Incentive-based compensation