



Protective Intellectual Property Services, LLC

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MAXIMIZING INTELLECTUAL PROPERTY'S CONTRIBUTION TO A COMPANY'S GROWTH AND VALUESM
TRANSLATING TECHNOLOGY INTO THE LANGUAGE OF BUSINESSSM

You have probably heard that it is important to protect your intellectual property to grow your company's value; however you first need to know:

What is Intellectual Property – also known as IP?

“Intellectual property refers to creations of the mind: inventions, literary and artistic works, and symbols, names, images, and designs used in commerce.

Intellectual property is divided into two categories: Industrial property, which includes inventions (patents), trademarks, industrial designs, and geographic indications of source; and Copyright, which includes literary and artistic works such as novels, poems and plays, films, musical works, artistic works such as drawings, paintings, photographs and sculptures, and architectural designs. Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and those of broadcasters in their radio and television programs”.¹ Software is also covered by Copyright.

Some materials can be covered by more than one method of protecting intellectual property rights. For example it is possible to protect computer software by both copyright and patent.

“Intellectual property rights give creators exclusive rights to their creations, thereby providing an incentive for the author or inventor to develop and share the information rather than keep it secret. The legal protections granted by IP laws are credited with significant contributions toward economic growth”.²

The percent of the market value of intangible property, such as intellectual property, in the S&P 500 has increased from 17% in 1975 to 79% in 2005.³ In technology companies such as Microsoft, intellectual property represents as much as 95% of the stock's market value. For small technology companies including start ups, the value of the intellectual property is often 90+ percent of the value of the company.

Intellectual Property consists of Patents, Copyrights, Trademarks, Service Marks, and Trade Secrets.

- A Patent protects the idea behind an invention. It is a “negative right” issued by a government to an inventor. It is important to note that a patent does not give the patent owner the right to practice the invention -- it only gives the owner the right to prevent others from practicing the patented invention. If you work for a company, you probably signed an agreement giving your employer the rights to any intellectual property that you develop while working for the company. Once a patent application is filed, you can identify the invention with the notation “patent pending”.

¹ World Intellectual Property Organization

² Wikipedia

³ Ned Davis Research

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- A Copyright protects the embodiment of a work, such as software, a work of art, a performance, etc. As soon as materials are put in a tangible medium, you have a copyright in that material; it is not necessary to file for a copyright in order to have limited protection. However, in order to sue for copyright infringement, you do have to register your copyright. A copyright can be filed while protecting your confidential information, such as in the source code of a software program. The form of the copyright notice is © year, copyright owner e.g., “© 2008, Protective Intellectual Property Services, LLC”.
- A Trademark (TM) or Service Mark (SM) is a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs, that identifies and distinguishes the source of the goods or services of one party from those of others. Examples include: Protective Intellectual Property Services™, the shape of the Coca Cola® bottle, the name Coca Cola® or McDonalds’ Golden Arches®. Once a trademark is registered with the federal government you use the symbol ® to designate this to others.
- A trade secret is information that: (i) derives independent economic value from not being generally known or readily ascertainable to other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. A trade secret needs to be protected in accordance with state law in order to qualify for protection under the law.

Which protection is best is dependent on the type of intellectual property and the company’s business plans.

The time of the disclosure and the timing of the application are critical in preserving both U.S. and foreign rights. For example: in order to preserve US and foreign IP rights you should file a patent application, if applicable, before making a public disclosure such as a presentation, a publication or even informal discussions with people outside of your company.

PIPS works with “C” level personnel at small to medium size technology companies to maximize their inventions’ and knowledge’s contribution to their companies growth and value. We do this by identifying a company’s intellectual property and creating and implementing an intellectual property strategy that is consistent with the company’s business plans. We also create IP policies and manage the company’s IP portfolio.

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